



Thrift Savings Plan

A to Z

PRESENTED BY
STEWART KAPLAN, AFC®, RFC, RPA



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77 K Street, NE · Washington, DC · 20002
1-877-968-3778 · tsp.gov

[tsp4gov](https://tsp.gov) @



Some Benefits of the TSP...

**Automatic
enrollment
& payroll
deduction**

**Choice of
broadly
diversified
investment funds
that provide
comprehensive
coverage of each
asset class**

**Extremely
low
expenses**

**Choice of:
pre-tax
and/or
after-tax
elective
deferrals**

**Agency
contributions
for FERS &
BRS!
1% automatic &
4% maximum
match**

**Income from
securities
lending
improves the
investment
fund returns**

**Ability to keep
TSP for Life –
Simplify and
save \$ by
transferring in
other eligible
accounts**

**G Fund – No
risk of negative
returns and
backed by the
full faith and
credit of the
U.S.
Government**



Agenda

- Make Wise Decisions Today: Retire With Dignity Tomorrow
- Saving for Retirement: Your TSP Contributions
- Choosing a Tax Treatment: Traditional or Roth?
- Getting the Most Bang for Your Buck: Saving in the Thrift Savings Plan
- Accessing your TSP Money While Still Employed: Loans and In-Service Withdrawals

Retire With Dignity Tomorrow

Make Wise Decisions Today



Thrift Savings Plan

Sources of Income in Retirement



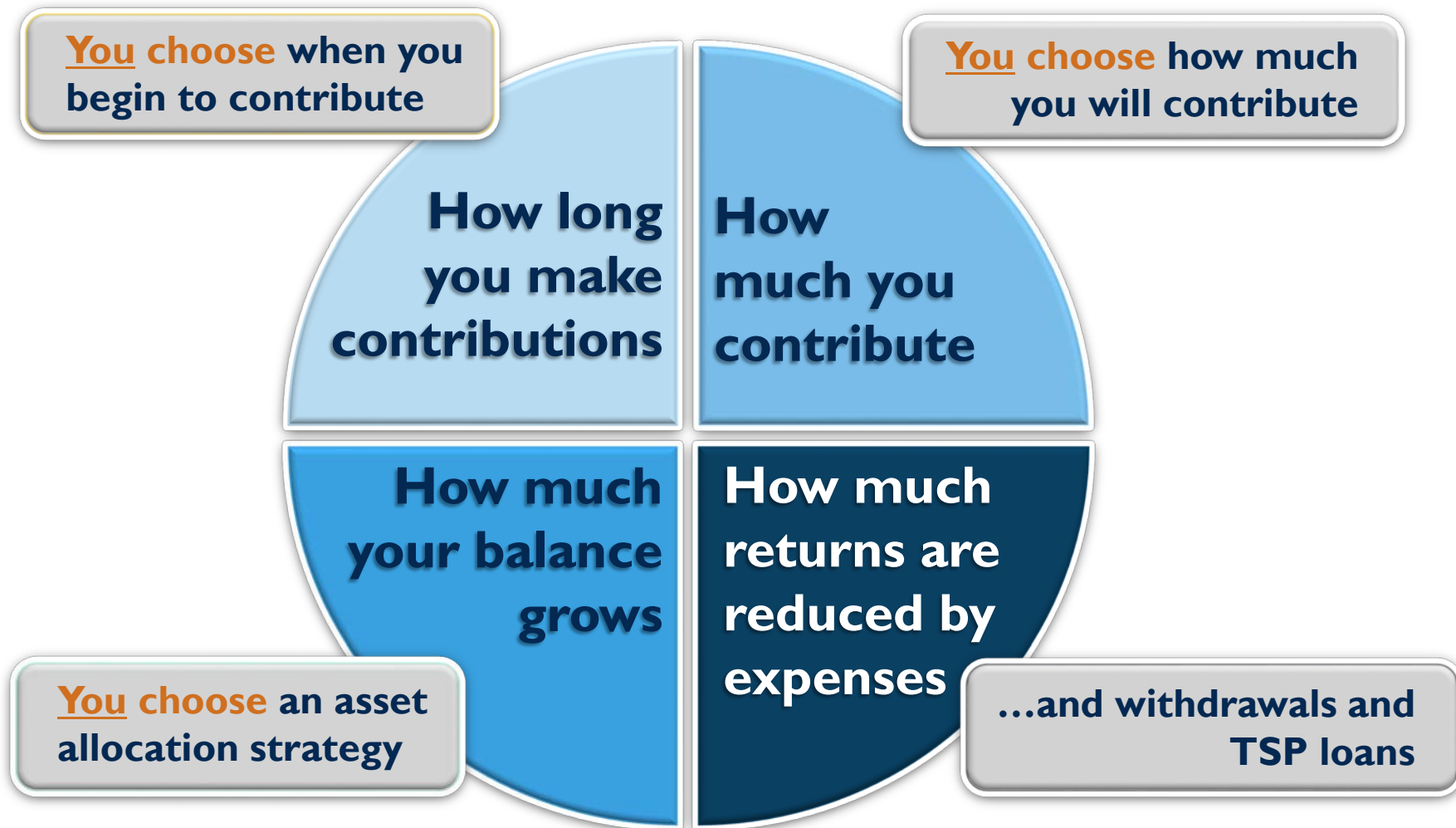
**Job in
retirement?**

Pension(s)

Social Security

Savings (TSP)

TSP account balance at retirement depends on:



Actions that **positively** affect TSP balance

FERS: contribute enough to get full agency match

- Contribute five percent to get maximum agency match of four percent
- Applies on a per pay date basis - **NOT** an annual basis

Allocate contributions to investment funds based on appropriate balance of risk to return

- Periodically rebalance and reallocate based on a long-term strategy
- Or choose a Lifecycle fund – rebalancing and reallocations occur automatically



Actions that **may negatively** affect TSP balance

Using TSP to access savings to meet short-term needs

- Loans
- Financial Hardship Withdrawals

Frequent Interfund Transfers

- Short-term, tactical moves using index funds is generally an unsuccessful long-term investment strategy

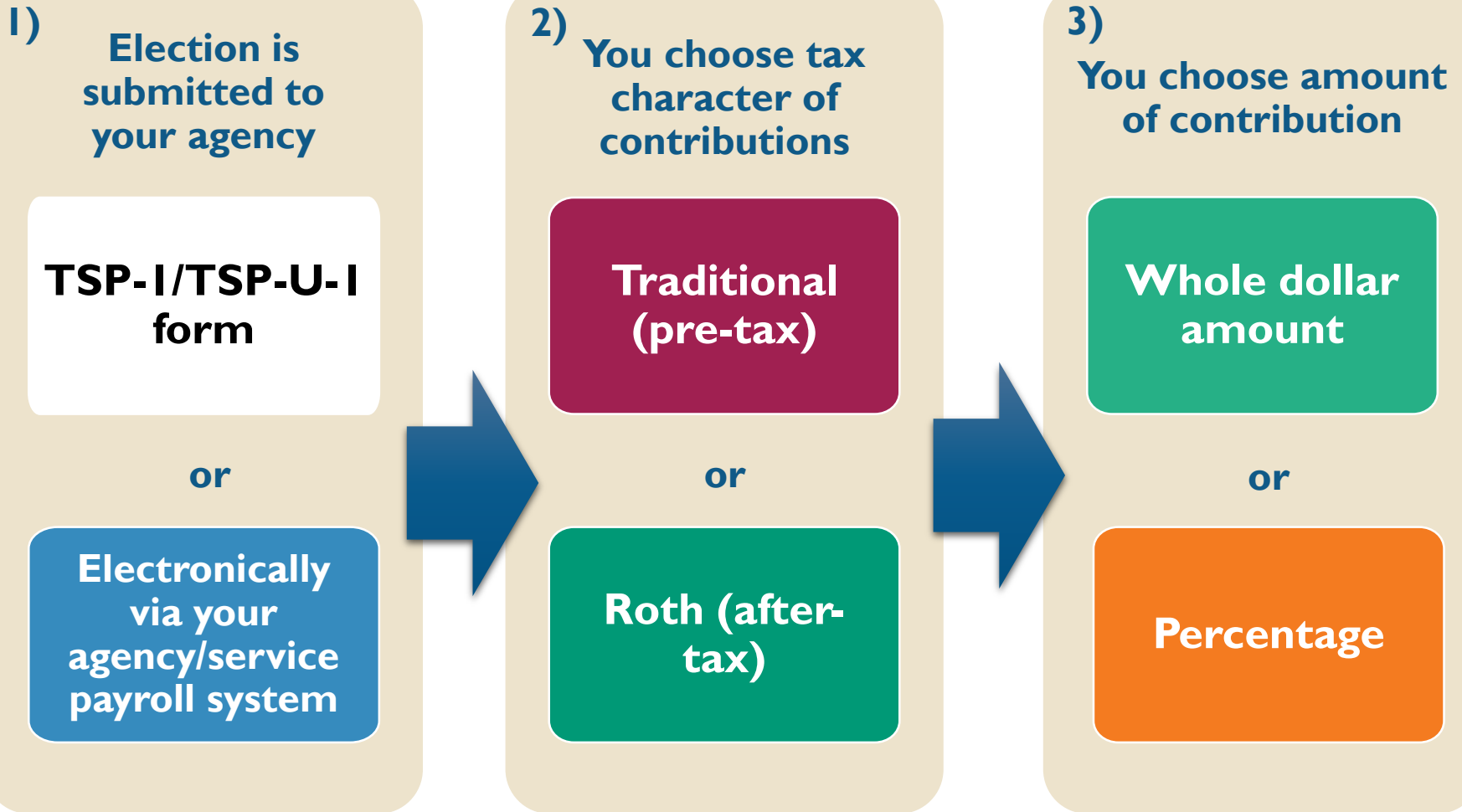
Your TSP Contributions

Saving for Retirement



Thrift Savings Plan

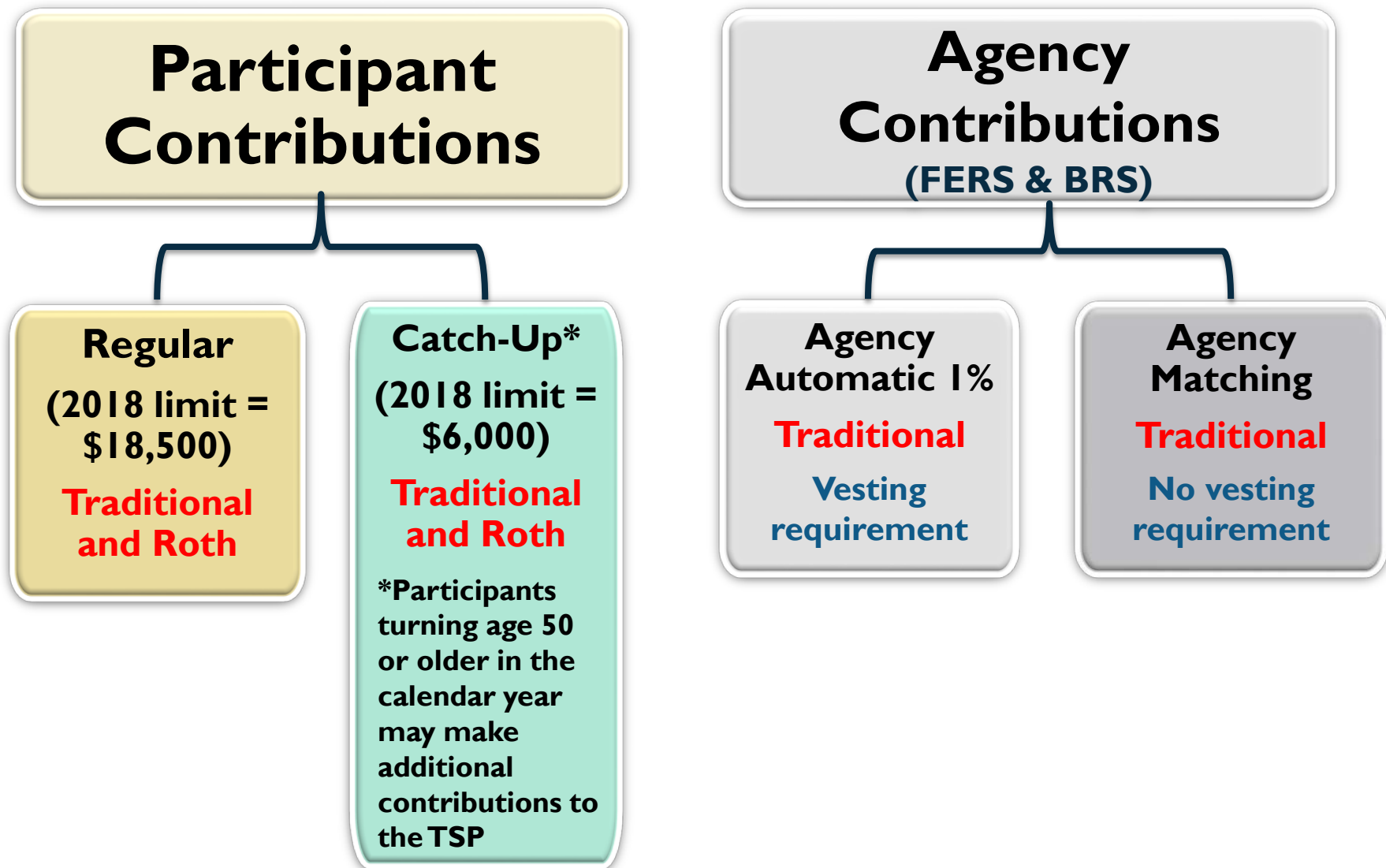
Contribution Elections



- Elections are generally effective the first full pay period after receipt by the agency
- You can start, stop, change, or resume contributions at any time



Contribution sources and limits



Contribution Rules

Employee/Service member Contributions

- All new and rehired employees auto-enrolled at 3% (can opt out)
- Any whole dollar amount or percentage (if Uniformed Service) up to IRS elective deferral limit
- No vesting rule

Agency Contributions (FERS/BRS)

- Agency Automatic (1%) Contributions
 - Subject to vesting
- Agency Matching Contributions*
 - Based on first 5% of employee contributions per pay period, whether traditional or Roth
 - No vesting rule

Agency Contributions to Your Account (FERS Employees Only)

You put in:	Your agency puts in:		And the total contribution is:
	1% Contribution	Matching Contribution	
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%
More than 5%	1%	4%	Your contribution + 5%



Uniformed Services Contribution Rules

- Contribute 1% to 100% of basic pay
 - Plus any percentage from incentive, special, and bonus pay
- Contributions are subject to the Internal Revenue Code annual limitations
 - elective deferral, §402(g), limit (\$18,500 for 2018)
 - annual additions, §415(c), limit (\$55,000 for 2018)
- Contributions deducted from Combat Zone Tax Exclusion (CZTE) pay are subject to section 415(c) limits but not 402(g)

Annual Additions Limit

- \$55,000 for 2018; includes:
 - All elective deferrals (Traditional, Roth and tax-exempt TSP contributions)
 - Agency/service matching contributions
 - Agency automatic (1%) contributions
- Does not include catch-up contributions
- Maximum contribution for officers in a combat zone cannot exceed \$8,361 per month (basic pay of the most senior enlisted member) plus \$225 hostile fire/imminent danger pay*



Maximizing Your Match (FERS/BRS)

- Ed earns \$3,000 gross pay per pay period and contributes 30%
- Susan earns \$3,000 gross pay per pay period and contributes \$712

ED	30% EC	4% Match
PC #1 to PC #20	\$900 each	\$120 each
PC #1 to 20	\$18,000	\$2,400
PC #21	\$500	\$120
PC #22	\$0	\$0
PC #23	\$0	\$0
PC #24	\$0	\$0
PC #25	\$0	\$0
PC #26	\$0	\$0
PC #21 to 26	\$500	\$120

Total of 20 Contributions	\$18,500	\$2,520
----------------------------------	-----------------	----------------

SUSAN	30% EC	4% Match
PC #1 to PC# 20	\$712 each	\$120 each
PC #1 to 20	\$14,240	\$2,400
PC #21	\$712	\$120
PC #22	\$712	\$120
PC #23	\$712	\$120
PC #24	\$712	\$120
PC #25	\$712	\$120
PC #26	\$700	\$120
PC #21 to 26	\$4,260	\$720

Total of 26 Contributions	\$18,500	\$3,120
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Thrift Savings Plan

Catch-Up Contributions



Participants can begin making Catch-Up contributions any time during the calendar year they turn 50

January 1

- In addition to the regular TSP contributions
- Dollar amount only
- Require a separate election
- A new election must be submitted for each calendar year
- Electronic election or TSP-1-C/TSP-U-1-C
- Maximum contribution for 2018 is \$6,000
 - Must self-certify intent to make regular contributions up to the elective deferral limit
- No agency matching on catch-up contributions



Choosing a Tax Treatment

Traditional

or

Roth



Traditional TSP Contributions

Traditional contributions are deducted from gross pay **BEFORE** taxes

Lowers current taxable income and gives a tax break today

BOTH contributions and earnings grow tax-deferred

<h1>Your Federal Agency</h1>				For Pay Period Ending		Net Pay	
				Pay Period #		Pay Date	
Name		Pay Plan/Grade/Step		Annual Salary		Hourly Rate	
Home Address				Pay Check Address			
Basic Information							
TSP Tax Deferred Amt/% \$693.00				TSP Roth Amt/% 0 %			
Your Pay Consists of		Current	YTD	Tax Information		Marital Exemptions	Additional
Gross Pay				State			Current YTD Wages
Deduction				Federal			Wages
Net Pay							
EARNINGS							
Type				Rate	Adjusted	ADJ Hours	Hours
Regular							
DEDUCTIONS							
Type	Misc	Adjusted	Current	YTD	Type	Misc	Adjusted
Federal Taxes					State Tax 1 / VA		Current
Dental/Vision					FSA HC		YTD
TSP Tax Deferred					TSP Tax Deferred Catch-Up		
TSP Roth Catch-Up					Retirement - FERS		
OASDI Tax					Medicare Tax		
FEGLI - Regular					FEGLI - Optional		
FEGLI - Family					Thrift Savings Plan Loan		
Discretionary Allotment							
BENEFITS PAID BY GOVT.							
Type		Current	YTD	Type		Current	YTD
FEGLI				Medicare			
OASDI				TSP Basic			
TSP Matching				FERS			
Agency Matching contributions will always be traditional				Agency Automatic contributions will always be traditional			

Roth TSP Contributions

Roth contributions are deducted from gross pay **AFTER** taxes

**Does not affect
current taxable
income**

Contributions will not be taxed again

Earnings grow tax-deferred until they become “qualified” “Qualified” earnings grow tax-free

<h1>Your Federal Agency</h1>						For Pay Period Ending		Net Pay	
						Pay Period #		Pay Date	
Name				Pay Plan/Grade/Step		Annual Salary		Hourly Rate	
Home Address						Pay Check Address			
Basic Information									
TSP Tax Deferred Amt/% 0%						TSP Roth Amt/% \$693			
Your Pay Consists of				Current	YTD	Tax Information		Marital Exemptions	Additional
Gross Pay						State			Current YTD Wages
Deduction						Federal			Wages
Net Pay									
EARNINGS									
Type		Rate		Adjusted		ADJ Hours		Hours	Current YTD
Regular									
DEDUCTIONS									
Type	Misc	Adjusted	Current	YTD	Type	Misc	Adjusted	Current	YTD
Federal Taxes					State Tax 1 / VA				
Dental/Vision					FSA HC				
TSP Tax Deferred					TSP Tax Deferred Catch-Up				
TSP Roth Catch-Up					Retirement - FERS				
OASDI Tax					Medicare Tax				
FEGLI - Regular					FEGLI - Optional				
FEGLI - Family					Thrift Savings Plan Loan				
Discretionary Allotment									
BENEFITS PAID BY GOVT.									
Type	Current		YTD	Type	Current		YTD		
FEGLI				Medicare					
OASDI				TSP Basic					
TSP Matching				FERS					
Agency Matching contributions will always be traditional				Agency Automatic contributions will always be traditional					

Roth TSP – Qualification Rules

- **To become qualified:**
 - First TSP Roth contribution must meet 5-year rule
 - Prior participation in a Roth 401(k) transferred into TSP counts toward 5-year rule
 - Once 5-year rule is met, participant retains it for the life of their TSP account
 - Age 59½; disabled; or deceased
 - BOTH must be met
- **If withdrawn prior to meeting qualification rules:**
 - Earnings are tax deferred and subject to IRS 10% early withdrawal tax unless participant meets an exception*

* One common exception is when a participant receives distributions after they've separated in the calendar year they reach age 55 or older (or in the calendar year they reach age 50 or older for certain public safety employees)



Traditional or Roth?

Non-animated version of above slide

Equal impact on annual net pay

Current tax
rate is:

22%

You make a
Traditional
Contribution of
\$10,000

OR

You make a Roth
Contribution of
\$7,800
(and pay \$2,200 in
Federal income taxes
for current year)

assuming 7% average
annual rate of return)

After tax
distribution

Tax free distribution

In 25 years,
tax rate is:

12% → \$50,384

\$44,658

22% → \$44,658

\$44,658

24% → \$43,513

\$44,658



Thrift Savings Plan

Roth TSP vs. Roth IRA Limits

	Roth Employer Plans (e.g., Roth TSP)	Roth IRA
2018 Income Limits	Available to all participants regardless of income	Not available to taxpayers with income above certain limits: MFJ - \$189,000 to \$199,000 MFS - \$0 to \$10,000 All others - \$120,000 to \$135,000
2018 Contribution Limits	\$18,500 (plus an additional \$6,000 if turning age 50 or older)	\$5,500 (\$6,500 if turning age 50 or older)



Retirement Savings Contribution Credit

- Designed to encourage low- and modest-income individuals to save for retirement
- Depending upon your adjusted gross income (AGI) and filing status, you may be able to take a tax credit for your TSP contributions
- For more information, see your tax advisor or refer to IRS Form 8880.

2018 AGI Limits*

Married Filing Joint	Single	Maximum Credit Per Person
Less than \$38,000	Less than \$19,000	50% of your contribution (\$1,000)
\$38,001 - \$41,000	\$19,001 - \$20,500	20% of your contribution (\$400)
\$41,001 - \$63,000	\$20,501 - \$31,500	10% of your contribution (\$200)
AGI greater than \$63,000	AGI greater than \$31,500	0% of your contribution (no Credit)

Moving Money From Other Plans Into TSP

Transfer (Direct)

Eligible Employer Plans (Traditional or Roth)

- 401(k), 403(b), 457(b)
- Sep IRA, SIMPLE

Traditional IRA (Pre-tax only)

NOT Roth, Education or Inherited IRAs

Money moves directly from an eligible plan or retirement account into the TSP
Participant does not have use of the money

The amount transferred or rolled over into the TSP account is allocated according to the current contribution allocation on file

Rollover (Indirect)

Eligible Employer Plans (Traditional only)

- 401(k), 403(b), 457(b)
- Sep IRA, SIMPLE

Traditional IRA (Pre-tax only)

Participant has use of the money for 60-days
May result in tax withholding and early withdrawal penalty if under age 59.5

Source: Summary of the Thrift Savings Plan, pages 9 - 10 and instructions on TSP-60 and TSP-60-R forms

Need to complete:

- ① Withdrawal process from eligible plan
- ② TSP-60/TSP-60R

- If you have both a uniformed services and a civilian TSP account AND are separated from the service associated with one of them, you can transfer your balance out of that account and into the other account
- You may transfer in either direction if separated from both

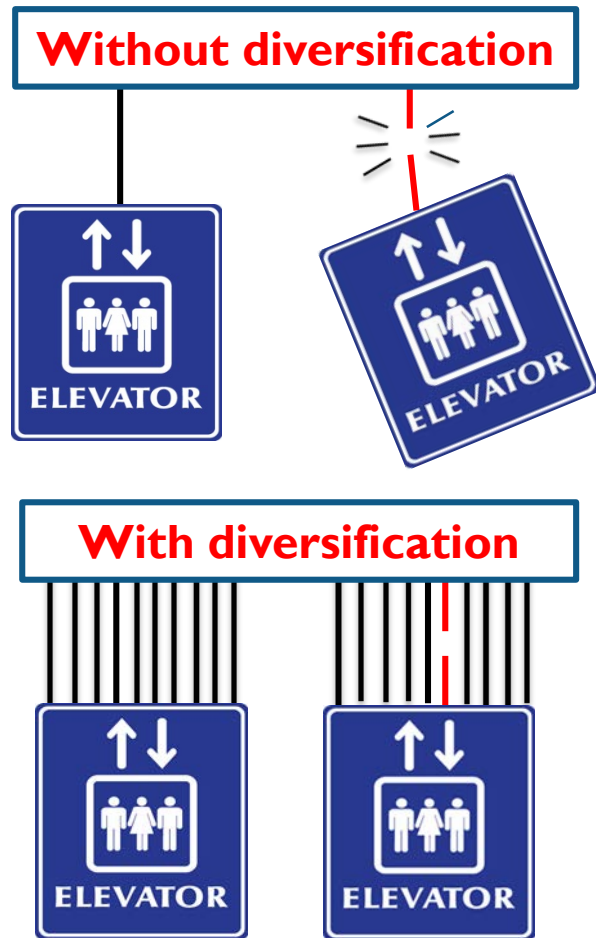
Note: A tax-exempt balance in a uniformed services account cannot be transferred to a civilian TSP account

Saving in the Thrift Savings Plan

Getting the most bang for your buck



Diversification



- Diversification is:
 - Balancing an investment portfolio by dividing it among different securities, industries or classes
- It **reduces risk** because:
 - It combines a variety of investments which are unlikely to all move in the same direction
- The TSP **achieves diversification** by tracking specified baskets of investments called “index investment funds”



Index Investment Funds

- Facilitate a passive strategy
 - No need to:
 - Pick individual investments
 - Try to time market movements
- Eliminate the anxiety of trying to beat the market
- Reduce trading costs and investment expenses



Image source: <http://finviz.com/map.ashx>



Index Investing: A Passive Strategy

- The logic of a passive strategy is based on the “Efficient Market Theory” that “Nobody knows more than the market”
 - A security’s current price accurately reflects everything the some total of all investors know about it, i.e., the market is perfectly “efficient”
 - Because the market is “efficient,” it’s not possible for any individual investor to consistently outperform the market as a whole
 - Professional investors do approximately 90% of all stock market trading, therefore they cannot “beat the market” because they are the market

**Learn more about index investing at: S&P Indices Versus Active (SPIVA)
U.S. Scorecard:**

<http://us.spindices.com/resource-center/thought-leadership/research/>

For more information see: “Stick to Your Plan: Avoid Chasing Returns” under
“Planning and Tools/Investment Strategy” on tsp.gov



Thrift Savings Plan

TSP Core Investment Funds

Bloomberg
Barclays Capital
U.S. Aggregate
Bond Index

S&P 500
Index

Dow Jones U.S.
Completion
Total Stock
Market Index

MSCI EAFE Index

G

F

C

S

I

Nonmarketable
short-term U.S.
Treasury
security

Specially issued
to the TSP

Index Investment Funds

Bonds

Stocks

High-quality
fixed income
securities with
maturities of
more than one
year

Large – Medium
companies
~80% of US stock
market

Medium – Small
companies
~the rest of US
stock market

Large
companies in
developed
countries

← Domestic →

↑
International



TSP Fund Information on tsp.gov

Investment Option Review in Reading Room on [frtib.gov/Reading Room](http://frtib.gov/ReadingRoom)

Thrift Savings Plan

TSP Funds Performance Summary

10 Year Summary

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
5.45%	34.85%	29.06%	7.89%	18.62%	38.35%	13.78%	2.04%	16.35%	25.42%
3.75%	30.04%	15.06%	2.45%	18.57%	32.45%	7.80%	1.46%	12.01%	21.82%
-31.53%	26.68%	13.89%	2.11%	16.07%	23.23%	6.73%	0.91%	7.90%	18.22%
-36.99%	25.19%	7.94%	-0.96%	14.27%	22.13%	6.22%	0.73%	2.91%	16.77%
-38.32%	5.99%	6.71%	-3.38%	4.29%	1.89%	2.31%	-0.51%	2.10%	3.82%
-42.43%	2.97%	2.81%	-11.81%	1.47%	-1.68%	-5.27%	-2.92%	1.82%	2.33%

G Fund

F Fund

C Fund

S Fund

I Fund

L 2040 Fund

The returns for the TSP funds represent net earnings after the deduction of administrative expenses, trading costs, and investment management fees



See the TSP Fund Information sheets or “Fund Performance” at tsp.gov.

Thrift Savings Plan

Costs of Investing with the TSP

	G Fund	F Fund	C Fund	S Fund	I Fund	L Income	L 2020	L 2030	L 2040	L 2050
2016 Administrative Expenses										
Gross	0.046%	0.046%	0.046%	0.046%	0.046%	0.046%	0.046%	0.046%	0.046%	0.046%
Net¹	0.033%	0.032%	0.032%	0.032%	0.032%	0.033%	0.033%	0.033%	0.033%	0.033%
Other Expenses²										
	0.000%	0.017%	0.002%	0.027%	0.010%	0.003%	0.004%	0.006%	0.007%	0.008%

¹ Net administrative expenses are the expenses charged to TSP participants per dollar invested in the respective funds after offsetting gross administrative expenses with account forfeitures and loan fees.

² Fees associated with securities lending are not included in 2017 administrative expenses.

- Consistent with standard practice in the industry, they are charged in addition to administrative expenses.
- The other expenses represent fees paid to the investment manager for administering securities lending programs.

**Income earned from these programs
improved the returns of the funds**



Thrift Savings Plan

TSP's Net Administrative Expenses Compared with the Average

TSP



\$0.33 per \$1,000¹

Average 401(k) Plan



\$4.30 per \$1,000²

¹ Net administrative expenses charged to the TSP participant across all funds, 2016

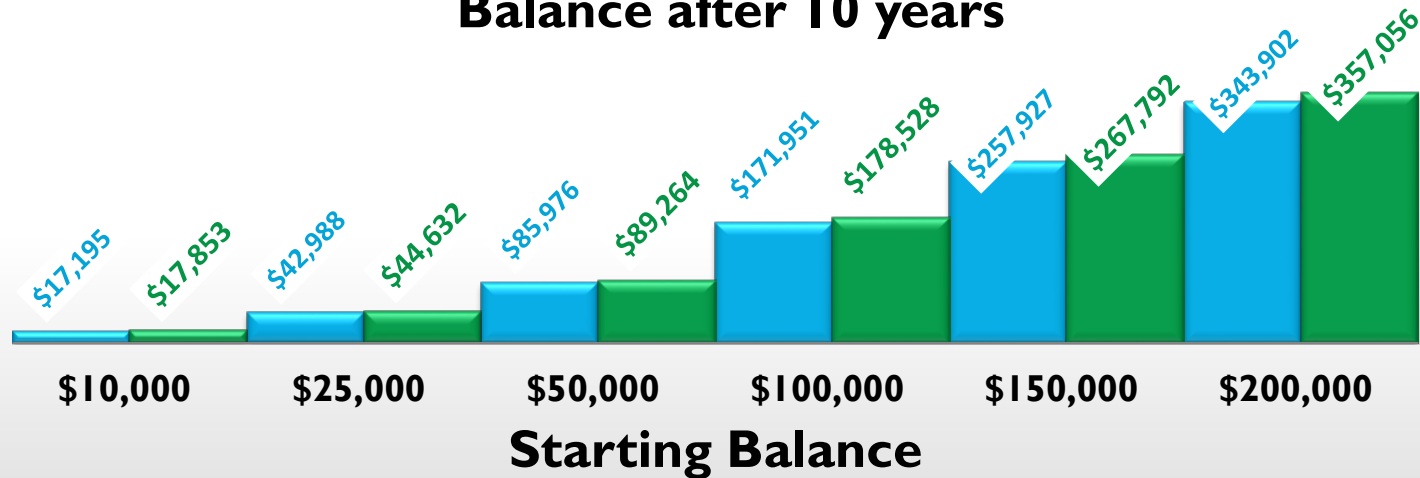
² Median estimated 401(k) plan fees. Source: *11th Annual NEPC Defined Contribution Plan & Fee Survey Webinar*, Sep 2016



Thrift Savings Plan

Effect of TSP's Expenses on Long-Term Returns

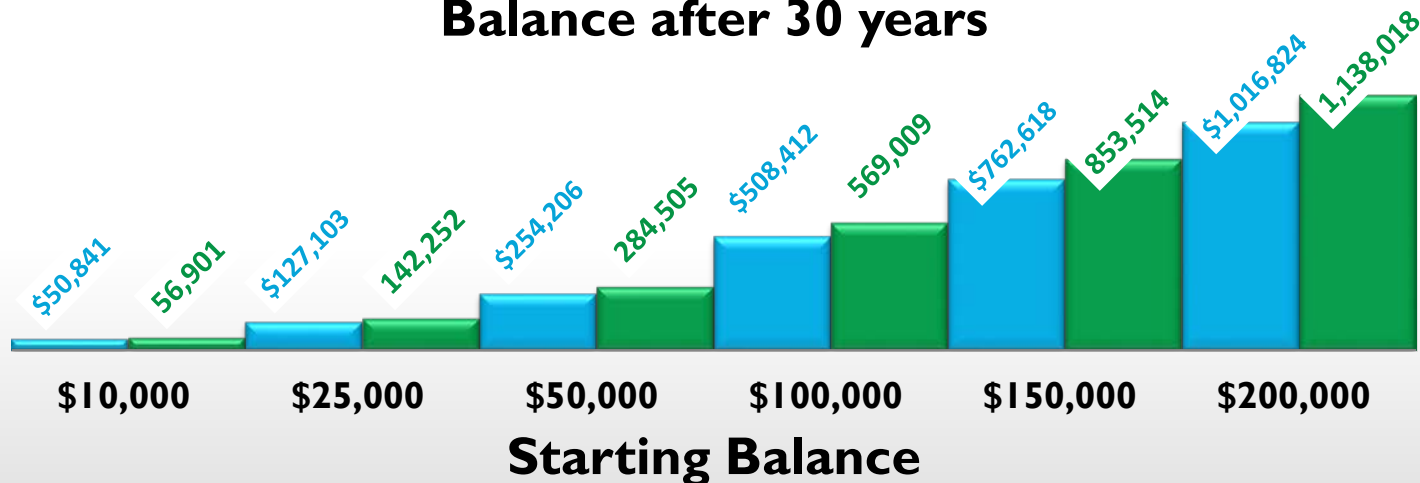
Balance after 10 years



Avg. 401(k)

TSP

Balance after 30 years

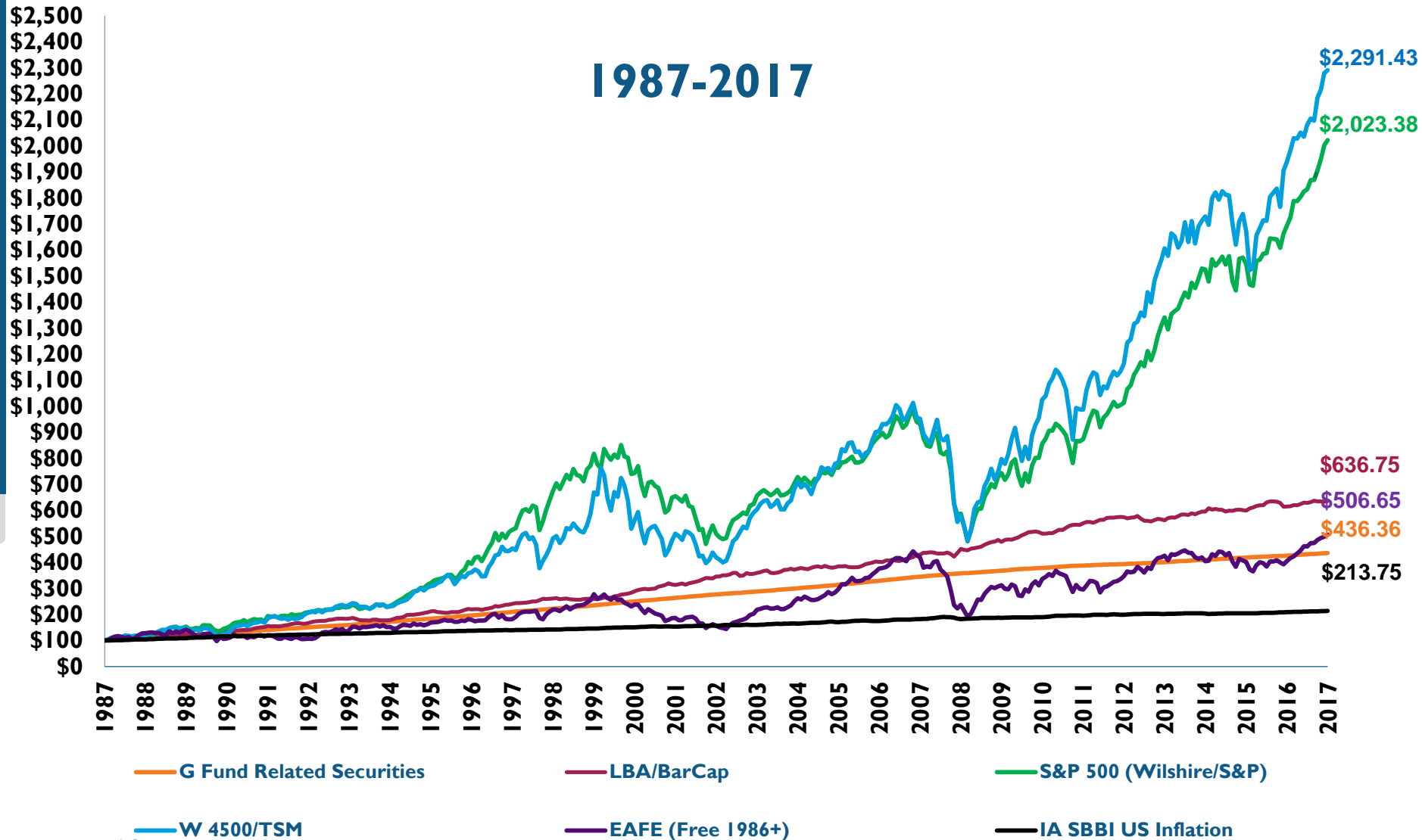


*Calculation discounts 6.0% RoR by .33% (Avg. 401(k)) and .038% (TSP) with compounding annually to determine values



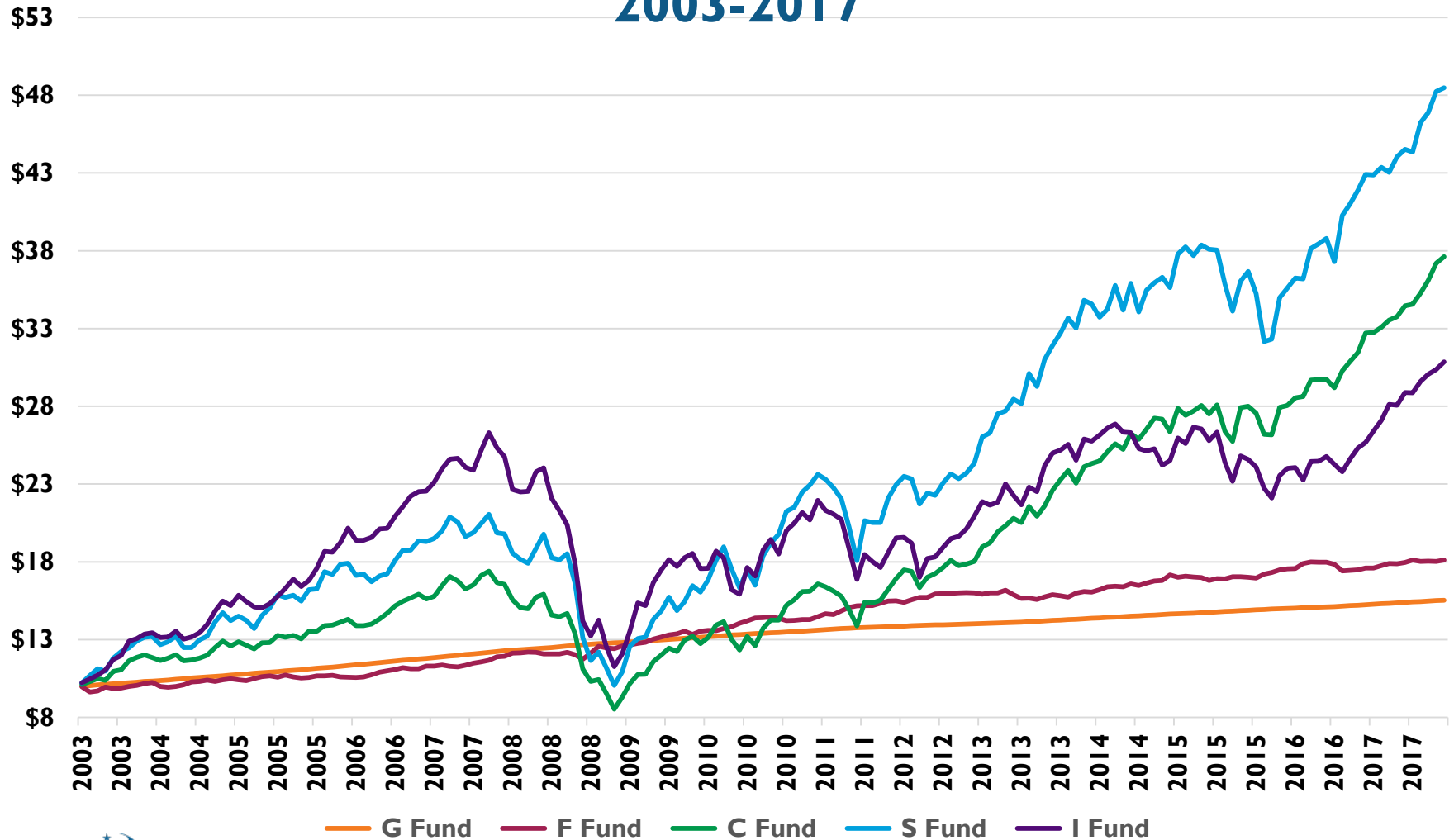
Thrift Savings Plan

Growth of \$100:TSP-Related Indices



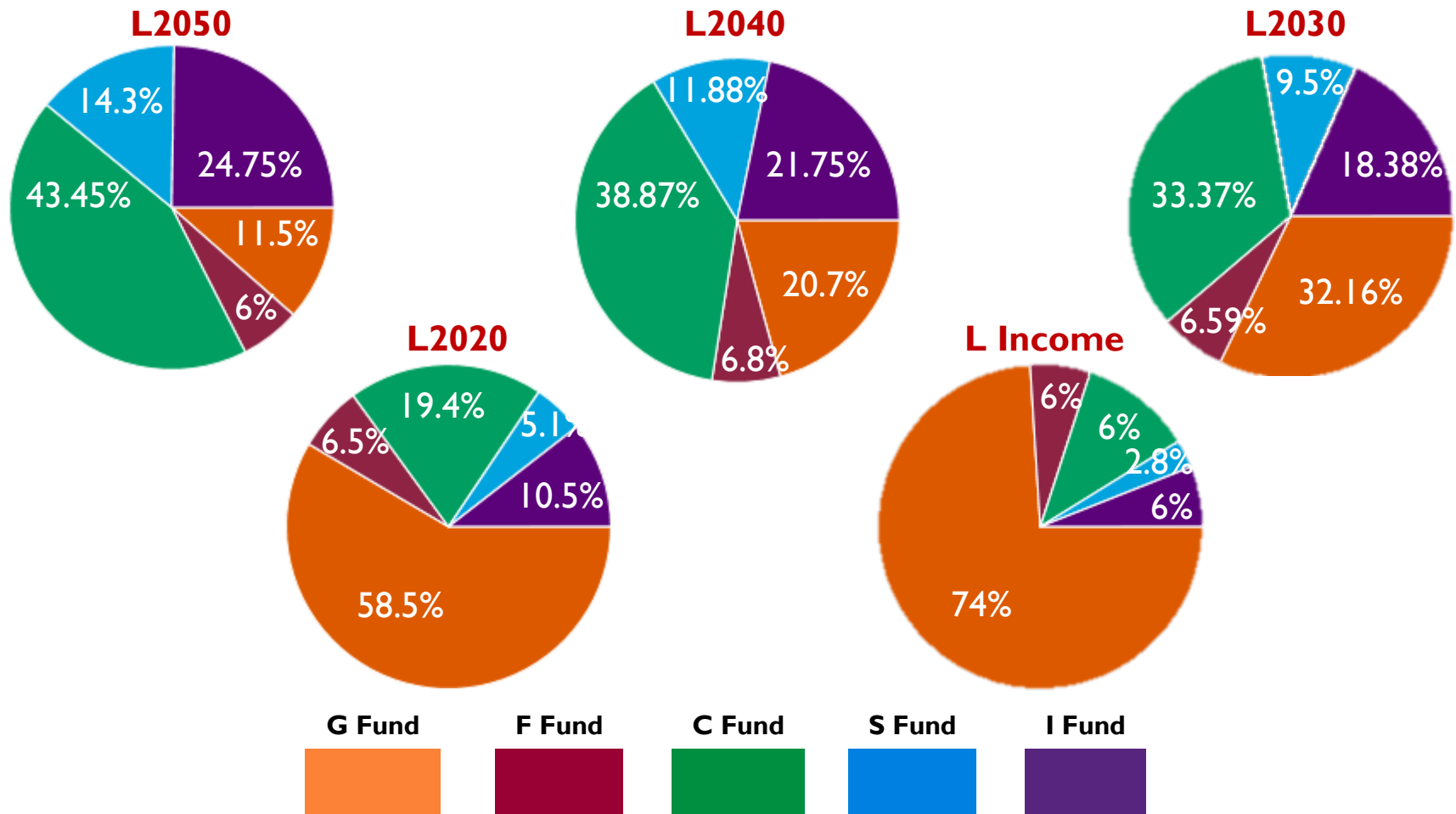
Performance of the TSP Core Fund Share Prices

2003-2017



The TSP's Lifecycle Funds

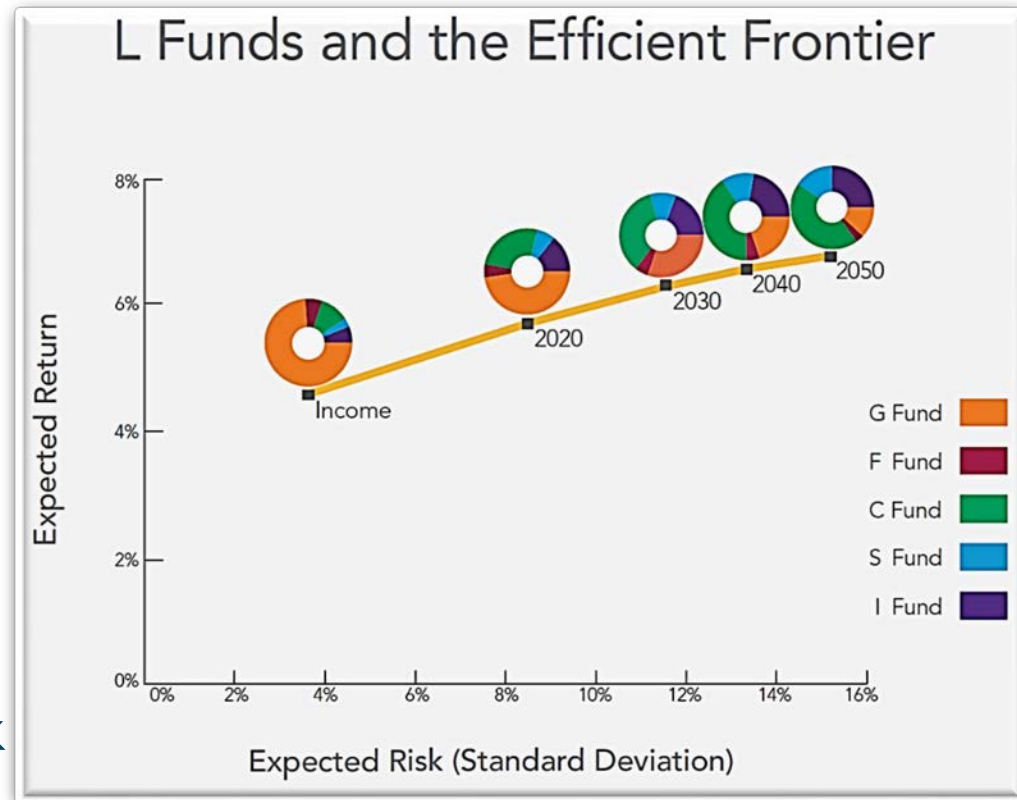
Allocation Targets* as of January 2018



* Due to rounding, numbers may not add up to exactly 100 %.

The Lifecycle Funds and the “Efficient Frontier”

- Rebalanced to their target allocations each business day
- Adjusted quarterly to more conservative investments as the fund time horizon shortens
- Objective is to provide the highest expected rate of return for the amount of risk expected



How do your returns compare?

Find your annual returns on your annual statements (all years) or on your fourth quarter statements (2012 to present)

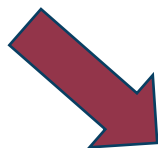
Year	You?	L Income	L 2020	L 2030	L 2040	L 2050	G Fund	F Fund	C Fund	S Fund	I Fund
2006		7.59%	13.72%	15.00%	16.53%		4.93%	4.40%	15.79%	15.30%	26.32%
2007		5.56%	6.87%	7.14%	7.36%		4.87%	7.09%	5.54%	5.49%	11.43%
2008		-5.09%	-22.77%	-27.50%	-31.53%		3.75%	5.45%	-36.99%	-38.32%	-42.43%
2009		8.57%	19.14%	22.48%	25.19%		2.97%	5.99%	26.68%	34.85%	30.04%
2010		5.74%	10.59%	12.48%	13.89%		2.81%	6.71%	15.06%	29.60%	7.94%
2011		2.23%	0.41%	-0.31%	-0.96%		2.45%	7.89%	2.11%	-3.38%	-11.81%
2012		4.77%	10.42%	12.61%	14.27%	15.85%	1.47%	4.29%	16.07%	18.57%	18.62%
2013		6.97%	16.03%	20.16%	23.23%	26.20%	1.89%	-1.68%	32.45%	38.35%	22.13%
2014		3.77%	5.06%	5.74%	6.22%	6.37%	2.31%	6.73%	13.78%	7.80%	-5.27%
2015		1.85%	1.35%	1.04%	0.73%	0.45%	2.04%	0.91%	1.46%	-2.92%	-0.51%
2016		3.58%	5.47%	7.07%	7.90%	8.65%	1.82%	2.91%	12.01%	16.35%	2.10%
2017		6.19%	9.86%	14.54%	16.77%	18.81%	2.33%	3.82%	21.82%	18.22%	25.42%
Average		4.31%	6.35%	7.54%	8.30%	12.72%	2.80%	4.54%	10.48%	11.66%	7.00%

How to make Investment Choices for Your Account

For New Contributions



Contribution Allocation



**For Money Already in
Your Account**



Interfund Transfer



**My Account section of the TSP website at tsp.gov
or**

Thriftline at 1-877-968-3778

Participant will receive confirmation via website, email or mail

**Generally effective as of close of business each day
(based on 12 noon ET cutoff)**



Thrift Savings Plan


Participant Statements

- Quarterly Statements (January, April, July and October)
 - In My Account section of tsp.gov
 - View on web or opt-in to have statements mailed to you
 - Shows all transactions in your account during preceding three months
- Annual Statements
 - In My Account section of tsp.gov
 - View on web
 - Mailed to you by default (Opt-out to stop the mailing)
 - Summarizes financial activity on your account and personal investment performance
- Keep your address and personal information up-to-date
 - If employed, contact your service or agency
 - If separated, update in My Account section, use Form TSP-9 or call the Thriftline

Quarterly Statement

Participant
Address

Ensure that
all personal
data on file
with the TSP
is correct


**Thrift Savings Plan**

Here's how the value of your TSP account has changed.

Value on October 1, 2013	\$77,376.86
Contributions and Additions	\$679.08
Withdrawals and Deductions	-\$14,000.00
Investment Gain (or Loss)	\$1,318.74
Value on December 31, 2013	\$65,371.68


Your vested account balance is \$65,371.68

Your account balance distribution



L 2050	0%	G Fund	62%
L 2040	0%	F Fund	0%
L 2030	0%	C Fund	28%
L 2020	0%	S Fund	9%
L Income	0%	I Fund	1%

Your investment allocation for future contributions



L 2050	0%	G Fund	60%
L 2040	0%	F Fund	0%
L 2030	0%	C Fund	30%
L 2020	0%	S Fund	5%
L Income	0%	I Fund	5%

Your Quarterly Statement
for the period
10/01/2013 – 12/31/2013

Account Number:

Date of Birth:
Retirement Coverage: FERS
Employment Status: Active
Service Required for Vesting: 3 years
from

A Message for You
Great news! Now you can easily access your TSP account through your Android, iPhone, or similar smartphone by visiting the TSP's website (tsp.gov). You do not need to download an app to use this great feature. Just go to My Account from your smartphone and you will be directed to a mobile version, where you can view your account balance, transaction history, and perform contribution allocations and interfund transfers. Want to visit the non-mobile site? Just select the "Full Site" button on the top right of the screen.

Your Personal Rate of Return

Last 12 Months
10.26%

Questions? tsp.gov
ThriftLine: 1-TSP-YOU-FRST
1-877-968-3778
Outside U.S. and Canada: 404-233-4400
TDD: 1-TSP-THRIFT5
1-877-847-4385
YouTube.com/TSP4gov

To correct personal or contribution information, contact your agency.

Participant
Information

Employed participants
should report errors to
their agency for
correction. Separated
participants can submit
corrections directly to
the TSP.

Your Investment
Return



Thrift Savings Plan

Quarterly Statement - Page Two

YOUR QUARTERLY ACCOUNT SUMMARY

TSP FUNDS	Beginning Balance	Contributions and Additions	Withdrawals and Deductions	Interfund Transfers	Gain or Loss This Quarter	Ending Balance	Beginning Shares		Ending Shares	
							Price	Number	Price	Number
Individual Funds										
G Fund	\$48,554.54	\$405.64	– \$8,665.38	\$0.00	\$91.14	\$40,385.94	\$14.2073	3,417.5775	\$14.2356	2,836.9681
C Fund	21,230.80	202.85	– 3,932.24	0.00	1,006.17	18,507.58	21.6001	982.9029	22.6602	816.7443
S Fund	6,637.01	33.79	– 1,224.29	0.00	197.68	5,644.19	31.0038	214.0709	31.8829	177.0288
I Fund	954.51	33.80	– 178.09	0.00	23.75	833.97	24.1817	39.4724	24.7306	33.7220
Total	\$77,376.86	\$676.08	– \$14,000.00	\$0.00	\$1,318.74	\$65,371.68				

YOUR QUARTERLY LOAN SUMMARY

Loan ID	Principal as of 10/01/2013	Amount of New Loan	TOTAL Principal Repaid	Principal as of 12/31/2013	TOTAL Interest Paid	Last Loan Payment
1009001G	\$0.00	\$14,000.00	\$173.95	\$13,826.05	\$3.41	10/25/2013

YOUR TRANSACTION DETAIL BY SOURCE

Payroll Office	Posting Date	Transaction Type	Employee Traditional	Employee Roth	Agency Automatic (1%)	Matching	Total
		Beginning Balance	\$38,451.69	\$0.00	\$8,135.29	\$30,789.88	\$77,376.86
97380100	10/10/2013	Contribution	124.68	0.00	24.94	99.74	249.36
	10/21/2013	Loan Disbursement	– 14,000.00	0.00	0.00	0.00	– 14,000.00
97380100	10/24/2013	Contribution	124.68	0.00	24.94	99.74	249.36
FRB	10/25/2013	Loan Repayment	177.36	0.00	0.00	0.00	177.36
		Gain or Loss This Quarter	638.35	0.00	142.15	538.24	1,318.74
		Ending Balance	\$25,516.76	\$0.00	\$8,327.32	\$31,527.60	\$65,371.68



Loans and In-Service Withdrawals

Accessing your TSP money while still employed

TSP Loans

TSP Account

Agency
contributions
and earnings

Your
contributions
and earnings

Loan repayment is through payroll
deductions and includes an interest
charge equal to the G fund rate
when the loan was processed and is
fixed for life of loan

You may make additional payments directly

Loans are taken only from your own
contributions and earnings

Loan Amount
-\$50 loan fee

Your Federal Agency				For Pay Period Ending	Net Pay
Name		Pay Plan/Grade/Step	Pay Period #	Pay Date	
Home Address			Annual Salary	Hourly Rate	
			Pay Check Address		
Basic Information					
TSP Tax Deferred Amt% \$693.00		TSP Roth Amt% 0 %			
Your Pay Consists of		Current	YTD	Tax Information	Marital Exemptions
Gross Pay				State	Additional
Deduction				Federal	Current YTD Wages
Net Pay				Federal	Wages
EARNINGS					
Type	Rate		Adjusted	ADJ Hours	Hours
Regular					Current YTD
DEDUCTIONS					
Type	Misc	Adjusted	Current	YTD	Type
Federal Taxes					State Tax 1 / VA
Dental/Vision					FSA HC
TSP Tax Deferred					TSP Tax Deferred Catch-Up
TSP Roth Catch-Up					Retirement - FERS
CAERS Tax					Medicare Tax
FEGLI - Regular					FEGLI - Optional
FEGLI - Family					Thrift Savings Plan Loan
Discretionary Allotment					
BENEFITS PAID BY GOVT.					
Type	Current		YTD	Type	Current
FEGLI				Medicare	
CAERS				TSP Basic	
TSP Matching				FERS	

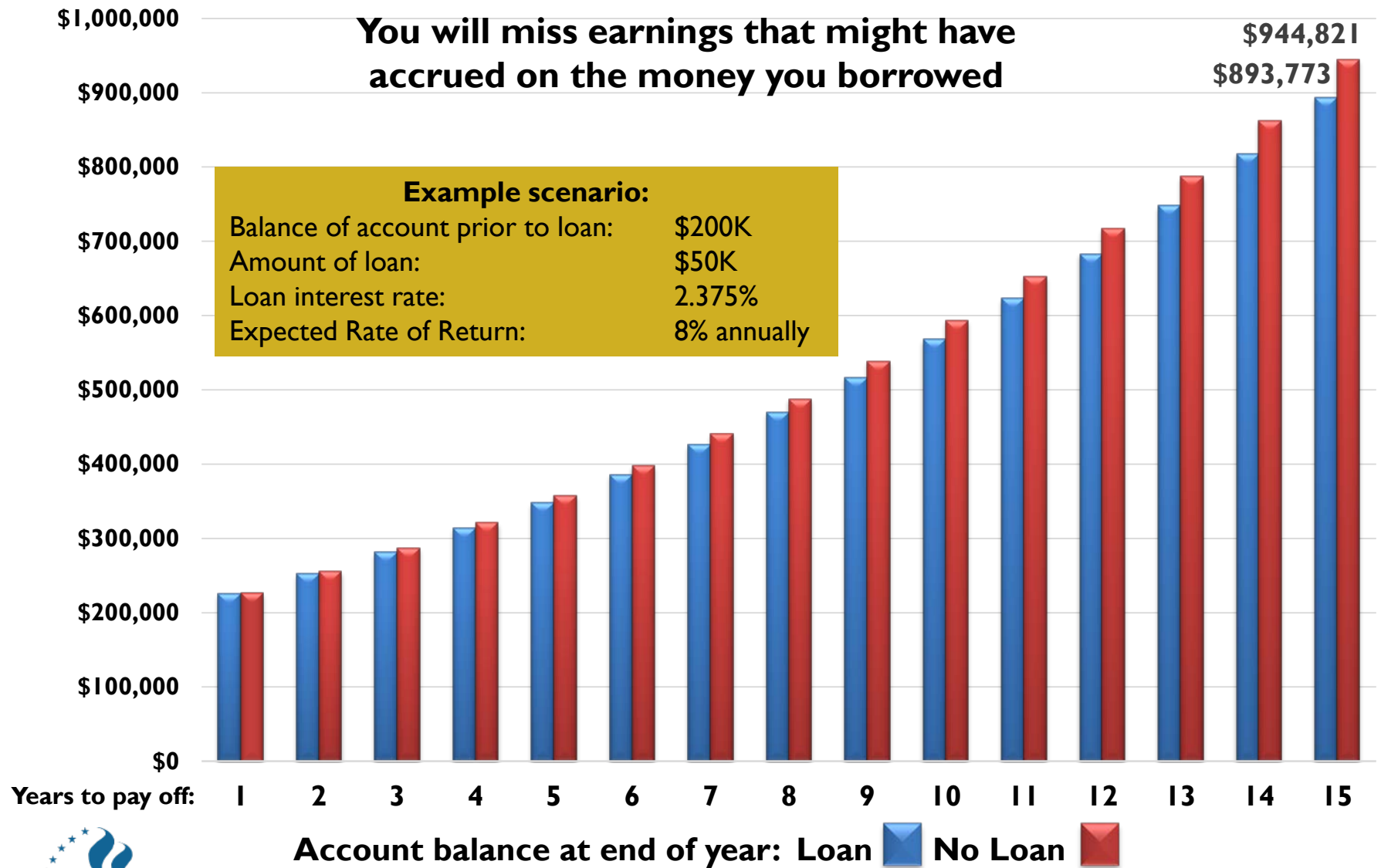


Thrift Savings Plan

Other Loan Rules

- May have two loans outstanding at same time if one is a residential loan and one is a general purpose loan*
- A valid or pending court order will prevent a loan disbursement
- There is a 60 day waiting period between the payoff of a loan before another like loan may be granted
- Loans are subject to spouses' rights
- When you leave Federal service with an outstanding loan balance, you will not be able to make a withdrawal from your TSP account until your loan is closed by either payment in full or the loan is treated as a taxable distribution

Indirect Loan Costs



Financial Hardship Withdrawals

The amount you withdraw from your account for a financial hardship must be limited to your financial need

To be eligible, your financial need must result from at least one of the following four conditions:

- Minimum withdrawal \$1,000
- May only withdraw your own contributions and earnings

Recurring negative monthly cash flow

Medical expenses that you have not yet paid and that are not covered by insurance

Personal casualty loss(es) that you have not yet paid and that are not covered by insurance

Legal expenses (such as attorneys' fees and court costs) that you have not yet paid for separation or divorce from your spouse



Financial Hardship Withdrawals



Will permanently reduce your retirement savings



Are subject to income taxes



May be subject to the IRS 10% early withdrawal penalty tax



Will cause a suspension to your TSP contributions for 6 months (no contributions = no matching for FERS/BRS)



Are subject to spouse's rights



For more information on TSP Loans, see tsp.gov/planparticipation or the TSP booklet, "In-Service Withdrawals"

Thrift Savings Plan

The chart below compares how taking a TSP loan or making an in-service withdrawal would affect your account.

	LOAN	IN-SERVICE WITHDRAWAL
Cost to Participant	<p>\$50 loan fee</p> <p>No earnings on any outstanding loan amount</p>	<p>Retirement savings permanently reduced by amount of withdrawal</p> <p>No future earnings on amount withdrawn</p> <p>With financial hardship withdrawal, no employee contributions for 6 months (and no matching contributions, if you are a FERS or BRS participant); members of the uniformed services cannot contribute from incentive, special, or bonus pay</p>
Effect on Taxes	None (unless loan is not paid back and the TSP declares a taxable distribution*)	<p>Immediate tax liability (unless age-based withdrawal is transferred to an IRA or eligible employer plan)</p> <p>Possible additional 10% early withdrawal penalty tax</p>
Effect on Earnings	No earnings on amount of loan until funds are repaid	<p>No earnings on amount withdrawn</p> <p>With financial hardship withdrawal, no new contributions to accrue earnings for 6 months</p>
Effect on Matching Contributions (FERS and BRS Only)	None	With financial hardship withdrawal, no matching contributions while employee contributions are suspended

* When the TSP declares a taxable distribution, the Internal Revenue Service (IRS) considers the unpaid balance (including any accrued interest) of the loan to be taxable income.

Source: In-Service Withdrawals booklet (1/2018) available at tsp.gov under “Forms and Publications,” “Withdrawals” (page 6)

Age-Based In-Service Withdrawals

59½

Must be age 59½ or older

\$1000+

Minimum withdrawal is \$1,000; maximum is entire vested account balance

Employed

May only take one age-based withdrawal during active Federal service or as a member of the uniformed services

Taxes

Considered an eligible rollover distribution and subject to mandatory 20% Federal income tax withholding

Transfers

All or any portion may be transferred to an IRA or another eligible employer plan

1 Time

Taking an age-based withdrawal renders you ineligible to receive a post-service partial withdrawal



For more information on TSP Loans, see tsp.gov/planparticipation or the TSP booklet, “In-Service Withdrawals”

Thrift Savings Plan



Thrift Savings Plan

A to Z (Part II)

PRESENTED BY
STEWART KAPLAN, AFC®, RFC, RPA



Thrift Savings Plan

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD
77 K Street, NE · Washington, DC · 20002
1-877-968-3778 · tsp.gov

[@](http://tsp4gov)



Agenda

- First Steps: Preparing for Separation
- Turning Savings to Income: The TSP Retirement Income Options
- Withdrawal Rules: Other Considerations
- Planning Your Legacy: TSP Death Benefits
- Getting Help: Resources for Participants



Preparing for Separation

First Steps

Sources of Retirement Income



Job in
retirement?

Pension(s)

Social Security

Savings (TSP)

$$\begin{array}{r} \textit{Expected need} \\ - \textit{Expected fixed income} \\ \hline \textit{TSP Savings Goal} \end{array}$$



Thrift Savings Plan

Contribution Considerations

There is an \$18,500 annual limit on your regular TSP contributions and a \$6,000 annual limit on “Catch-up” contributions



All contributions you make to employer plans* (including the TSP) during the same calendar year count toward the IRS elective deferral limit

You CAN contribute the maximum amount over LESS than the full tax year**

*Governmental 457(b) plans have separate limit

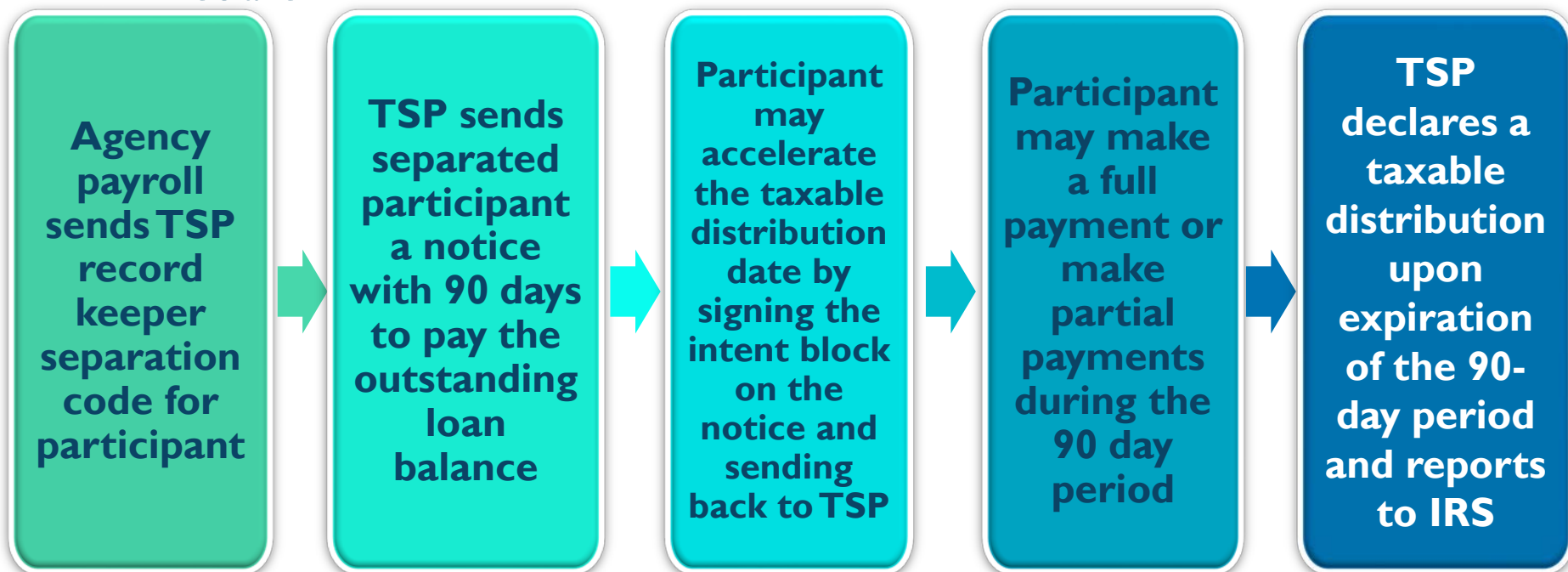
**For any pay periods a FERS or BRS participant does not make a contribution, there will be no corresponding matching agency/DOD contribution.



Thrift Savings Plan

Loans and Separation from Federal Service

- TSP loans must be settled within 90 days of separation to avoid a taxable distribution
- Participant may reamortize or make additional payments prior to separation
- No post-service withdrawals will be processed until loan has either been paid in full or a taxable distribution of remaining balance has been declared



The TSP Retirement Income Options

Turning Savings to Income



Thrift Savings Plan

Consider Your Options

- If you don't need income from your account immediately and your balance is at least \$200, you can leave your savings in the TSP until you're ready
- According to IRS rules, you must begin to take "Required Minimum Distributions" by April 1st of the year following the year you become 70½ AND are separated from service, but there's no requirement to take all of your money out after you separate
- Once you separate, if you still have a balance in your account, you can transfer or roll over balances from traditional IRAs or eligible employer retirement plans into the TSP
- All of this means, you can continue to:
 - Make changes to your investment mix by making interfund transfers
 - Take advantage of the TSP's ultra low costs and the well designed investment fund options
 - Defer income taxes on your TSP balance until you're ready to begin receiving distributions



TSP Modernization Act of 2017

- On November 17, 2017, President Trump signed into law the TSP Modernization Act of 2017, which will provide TSP participants with more flexible withdrawal options.
- The Executive Director of the FRTIB has the authority to establish parameters regarding this new ability to take multiple withdrawals, and the law gives the FRTIB up to two years to make the regulatory and operational changes necessary to enact these changes.
- Eliminates the statutory prohibition on multiple post-separation withdrawals and multiple age-based withdrawals while a participant is still working.
- Removes the restriction that participants cannot take partial post-separation withdrawals if they've already taken an age-based in-service withdrawal.
- Though it has no effect on required minimum distributions mandated by the Internal Revenue Code, the law also allows separated participants who are over age 70½ to remain in the TSP, eliminating the requirement to make a withdrawal election on an entire account balance.
- Participants will also be able to stop monthly payments, change payment frequency, or elect to purchase an annuity while receiving monthly payments.



TSP Modernization Act of 2017

- Prior to enacting the changes, the FRTIB must:
 - Make substantial programming changes and form revisions
 - Create new publications and make website changes
 - Publish any related policy decisions in publicly accessible regulations and allow for public comment period and then allow time to consider comments



TSP Modernization Act of 2017

- The FRTIB will add the ability to specify separate withdrawals for Roth and Traditional account balances
- When new options are available, they will be announced widely
- If you have an account balance when the new rules go into effect, even if you've begun receiving monthly payments or have taken a partial withdrawal before then, you will be able to take advantage of the new withdrawal options



Post-Service Withdrawals

Partial Withdrawal

- Lump sum

Full Withdrawal Options

- Monthly Payments
- Life Annuity
- Lump sum
- Combination of any of the above



Partial Withdrawal

- A partial withdrawal is a lump sum withdrawal of \$1,000 or more
- You may take a partial withdrawal if you:
 - Have not previously requested a partial or full withdrawal
 - Have not taken an age-based in-service withdrawal

THRIFT SAVINGS PLAN **TSP-77**
REQUEST FOR PARTIAL WITHDRAWAL WHEN SEPARATED

I. INFORMATION ABOUT YOU

1. This request applies to my: ☐ Civilian Account OR ☐ Uniformed Services Account

2. Last Name First Name Middle Name

3. TSP Account Number 4. Date of Birth (mm/dd/yyyy) 5. Daytime Phone (Area Code and Number)

6. ☐ Foreign address? Check here. 7. Street Address or Box Number (For a foreign address, see instructions on back.)
Street Address Line 2

8. City 9. State 10. Zip Code

II. PARTIAL WITHDRAWAL REQUEST

11. Amount you want to withdraw: \$. .00 (amount must be \$1,000 or more)

III. TRANSFER ELECTION

12. ☐ I would like to **transfer** all or a portion of my withdrawal request to an IRA or eligible employer plan. (Note: You must include the completed applicable transfer page(s) from this form with your withdrawal request package.)

IV. DIRECT DEPOSIT INFORMATION— This section is optional. Complete this section if you want the portion of your withdrawal that is not being transferred (Sections IX–XIII) directly deposited into your checking or savings account.

13. Type of Account: ☐ Checking ☐ Savings

14. Name of Financial Institution

15. ACH Routing Number (Must be 9 digits) 16. Checking or Savings Account Number

V. ADDITIONAL TAX WITHHOLDING— This section is optional. If you would like more than the mandatory 20% Federal tax withholding, complete this section. If a portion of your withdrawal is a Required Minimum Distribution, the TSP must withhold 10% of that portion. Withholding does not apply to amounts transferred to IRAs or eligible employer plans or which are otherwise nontaxable (see instructions).

17. In addition to the mandatory 20%, withhold this amount for Federal income tax: \$. .00

VI. CERTIFICATION AND NOTARIZATION— I certify that the information I have provided on all pages of this withdrawal request is true and complete to the best of my knowledge. If I did not complete Section VII or VIII on Page 2, I further certify that I am an unmarried TSP participant. Warning: Any intentional false statement in this application or willful misrepresentation concerning this request is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both (18 U.S.C. 1001).

18. Participant's Signature 19. Date signed (mm/dd/yyyy)

20. Notary: Please complete the following. No other acknowledgement is acceptable (see instructions). The person who signed Item 18 is known to or was identified by me and, before me, signed or acknowledged to have signed this form. In witness thereof, I have signed below on this ____ day of ____ Month ____ Year

My commission expires: Date (mm/dd/yyyy) Notary's Signature
Notary's Printed Name Notary's Phone Number
Jurisdiction

Do Not Write Below This Line

FORM TSP-77, Page 1 (2/2015)
PREVIOUS EDITIONS OBSOLETE

III. TRANSFER ELECTION

12. ☐ I would like to **transfer** all or a portion of my withdrawal request to an IRA or eligible employer plan. (Note: You must include the completed applicable transfer page(s) from this form with your withdrawal request package.)



Full Withdrawal

(non-animated version of previous slide)

a. Single Payment

May transfer entire amount of withdrawal (or a portion thereof) to an IRA or another employer plan

Minimum = 1% of account balance

b. Life Annuity

- Assures income for life
- Single, Joint with Spouse or Joint with Other Survivor
- Each has various features
- Minimum = \$3,500

c. TSP Monthly Payments

- Fixed dollar amount
 - Specified by participant
 - Amount may be changed annually
 - Minimum payment = \$25
- Based on life expectancy
 - Payments computed IRS life expectancy tables
 - Amount automatically adjusts annually

Name:

(Last, First, Middle)

IV. WITHDRAWAL ELECTION — This section is required. Choose one.

If choosing monthly payments, include the dollar amount of each payment on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

a.	<input type="text"/>	<input type="text"/>	<input type="text"/>	.0%	Single Payment
b.	<input type="text"/>	<input type="text"/>	<input type="text"/>	.0%	Life Annuity (Must equal \$3,500 or more)
c.	<input type="text"/>	<input type="text"/>	<input type="text"/>	.0%	TSP Monthly Payments → Total \$
				100%	(Total a, b, and c)

V. TRANSFER ELECTION

24. ☐ I would like to transfer all or a portion of my single payment (or annuity) to an IRA or eligible employer plan. (See instructions for details.) The transfer must include the completed applicable transfer page.



Thrift Savings Plan

a. Single Payment

- Also referred to as a **Lump Sum** payment
 - You can withdraw your entire TSP account balance in a single payment
 - You can transfer or roll over all or part of your TSP account to an IRA or another eligible retirement account
 - Any taxable amount withdrawn but not transferred or rolled over will be subject to ordinary income tax for the year of withdrawal

b. Life Annuity

- TSP life annuity
 - Income is assured for the life of the annuitant(s)
 - Funds are transferred from TSP to the annuity provider, and benefits are “locked in” when the request is processed

	Single Life	Joint Life with Spouse	Joint Life with Other Survivor
Survivor benefit (50% or 100%)		✓	✓
Level payments	✓	✓	✓
Increasing payments	✓	✓	
Cash refund	✓	✓	✓
10-year certain	✓		

c. TSP Monthly Payments

Fixed Dollar Amount

- Amount specified by participant
- Minimum payment \$25
- May change dollar amount annually
- Transfer payments to an IRA or another eligible plan* (if payments expected to last < 10yrs)
- Adjust amount of tax withholding* (if payments expected to last > 10yrs or more)
- May change direct deposit information
- May request a final single payment anytime

Based on Life Expectancy

- Payments are computed by TSP
- Amount automatically adjusts annually
- May adjust amount of tax withholding
- May make a one-time change to fixed dollar amount
- May request a final single payment anytime

**Example: Account balance = \$100,000 & request \$1,000/month, therefore:
 $\$100,000 / \$1,000 = 100$ months and $100 < 120$, so may transfer**

d. Custom: Mixed Withdrawal

IV. WITHDRAWAL ELECTION — This section is required. Choose one or more methods. Indicate percentages in whole numbers. If choosing monthly payments, include the dollar amount of each payment **or** choose to have the TSP compute your payments based on your life expectancy.

23. I would like to withdraw my entire account balance as follows:

a.

	1	0
--	---	---

 .0% Single Payment

b.

	2	0
--	---	---

 .0% Life Annuity (Must equal \$3,500 or more. Also complete Page 6.)

c.

	7	0
--	---	---

 .0% TSP Monthly Payments → Tell us how to pay your monthly payments:

100 % (Total a, b, and c)

\$

--	--

,

--	--	--

 .00 per month (\$25.00 or more)

OR

☒ Compute my payments based on my life expectancy.

Required Minimum Distributions

70.5

Separated

April 1st

RMD

**Each
Year**

**IRS
Table**

After you have separated from Federal service or the uniformed services, you are required to make a withdrawal choice by April 1 of the year following the year you turn age 70½

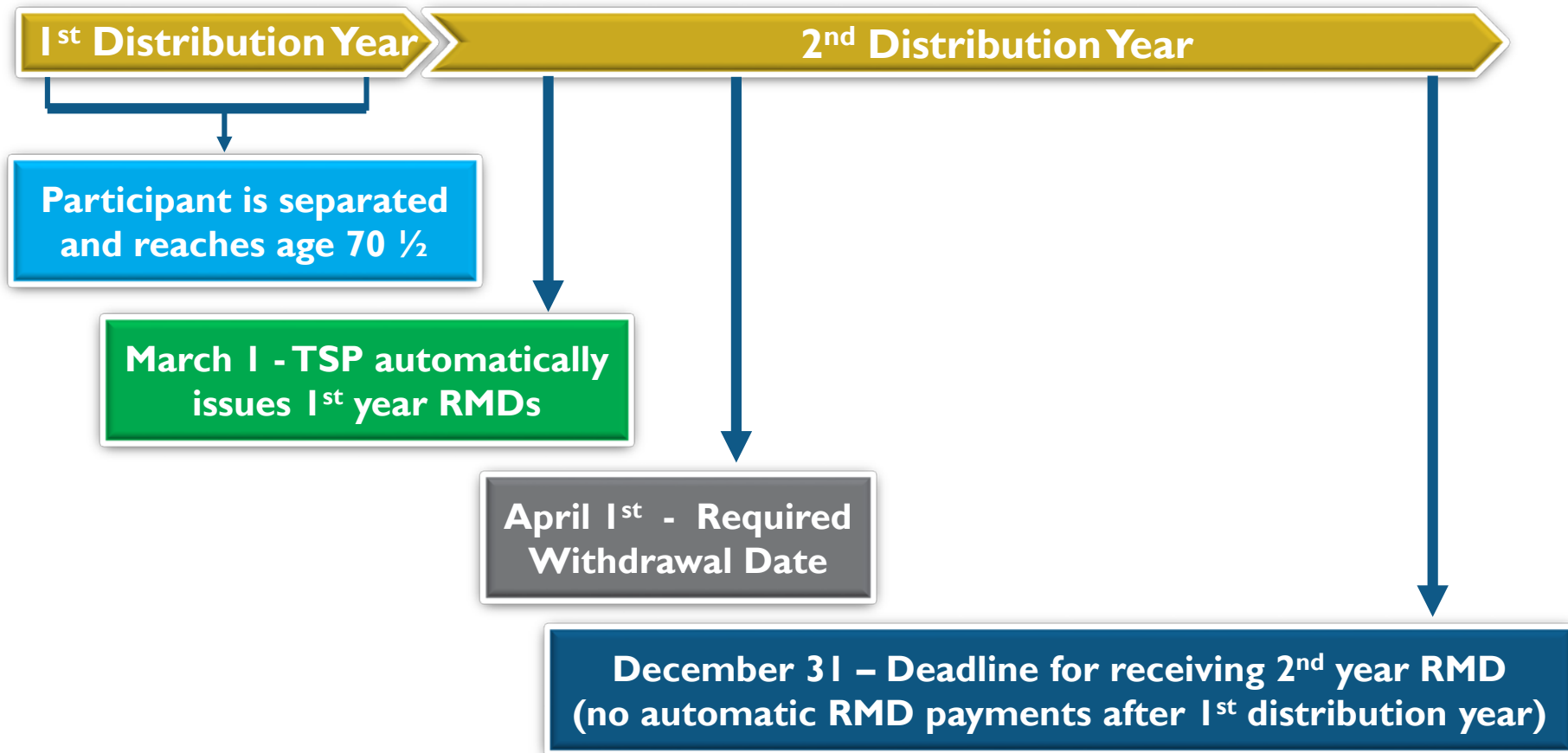
You must receive your “Required Minimum Distribution” (RMD) for the calendar year in which you turn 70½, but you have until April 1 of the following year to make the withdrawal

RMDs are determined using the IRS Uniform Lifetime Table

You must continue to receive RMDs from your TSP account each year thereafter so long as you have a remaining balance

If you are still a Federal employee employed at age 70½, your required withdrawal must begin by April 1 of the year following the year you separate

Required Minimum Distributions



Uniform Lifetime Table

RMD = Account Balance ÷ Distribution Period = % of account balance

Uniform Lifetime Table for Calculating Minimum Distributions*

Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4 - 3.65%	90	11.4	110	3.1
71	26.5 - 3.77%	91	10.8	111	2.9
72	25.6 - 3.91%	92	10.2	112	2.6
73	24.7 - 4.05%	93	9.6	113	2.4
74	23.8 - 4.20%	94	9.1	114	2.1
75	22.9 - 4.37%	95	8.6	115+	1.9
76	22.0 - 4.55%	96	8.1		
77	21.2 - 4.72%	97	7.6		
78	20.3 - 4.93%	98	7.1		
79	19.5 - 5.13%	99	6.7		
80	18.7 - 5.35%	100	6.3		
81	17.9	101	5.9		
82	17.1	102	5.5		
83	16.3	103	5.2		
84	15.5	104	4.9		
85	14.8	105	4.5		
86	14.1	106	4.2		
87	13.4	107	3.9		
88	12.7	108	3.7		
89	12.0	109	3.4		

Planning & Tools

Learn more about designing your investment plan

Get the most out of your retirement savings by carefully developing a plan for your TSP account.


Investment Strategy

Review a list of questions you should ask yourself before you invest, and find out how to maximize your retirement savings using the benefits of compounding, tax deferral, and account consolidation.


[Learn more](#)

Calculators

Use these calculators to help you plan for a comfortable retirement:

 [How Much Should I Save? \(Ballpark Estimate\)](#)

 [How Much Will My Savings Grow?](#)

 [How Much Can I Contribute?](#)

 [Paycheck Estimator](#)

 [Contribution Comparison Calculator](#)

 [Retirement Income Calculator](#)

 [TSP Monthly Payment Calculator](#)

 [Estimate Loan Payments](#)

Retirement Planning Phases

It is never too early or too late to take advantage of what the TSP has to offer. Consider how to make your TSP savings work for you through contribution elections, catch-up contributions, and asset allocations throughout your career and as you near retirement.

[Learn more](#)

Living in Retirement

Consider how to adjust your asset allocation and determine an effective withdrawal strategy to meet your unique needs during retirement.

[Learn more](#)



Other Considerations

Withdrawal Rules

Spouses' Rights

Retirement Plan	Requirement*	Exceptions†
FERS or Uniformed Services	Notarized spouse signature required**	Whereabouts unknown or exceptional circumstances - TSP-I6 or TSP-U-I6 required
CSRS	Spouse is entitled to notification of the participant's withdrawal election	Whereabouts unknown - TSP-I6 required

*If account balance is less than \$3,500, spouse's signature/notice is not required

**If married but no spouse signature: Spouse is entitled to a Joint Life Annuity with 50% Survivor Benefits, Level Payments, and no cash refund feature

†Waiver of spouse's signature/notification valid for 90 days from approval



Important Tax Information About Payments From Your TSP Account

Fact Sheet

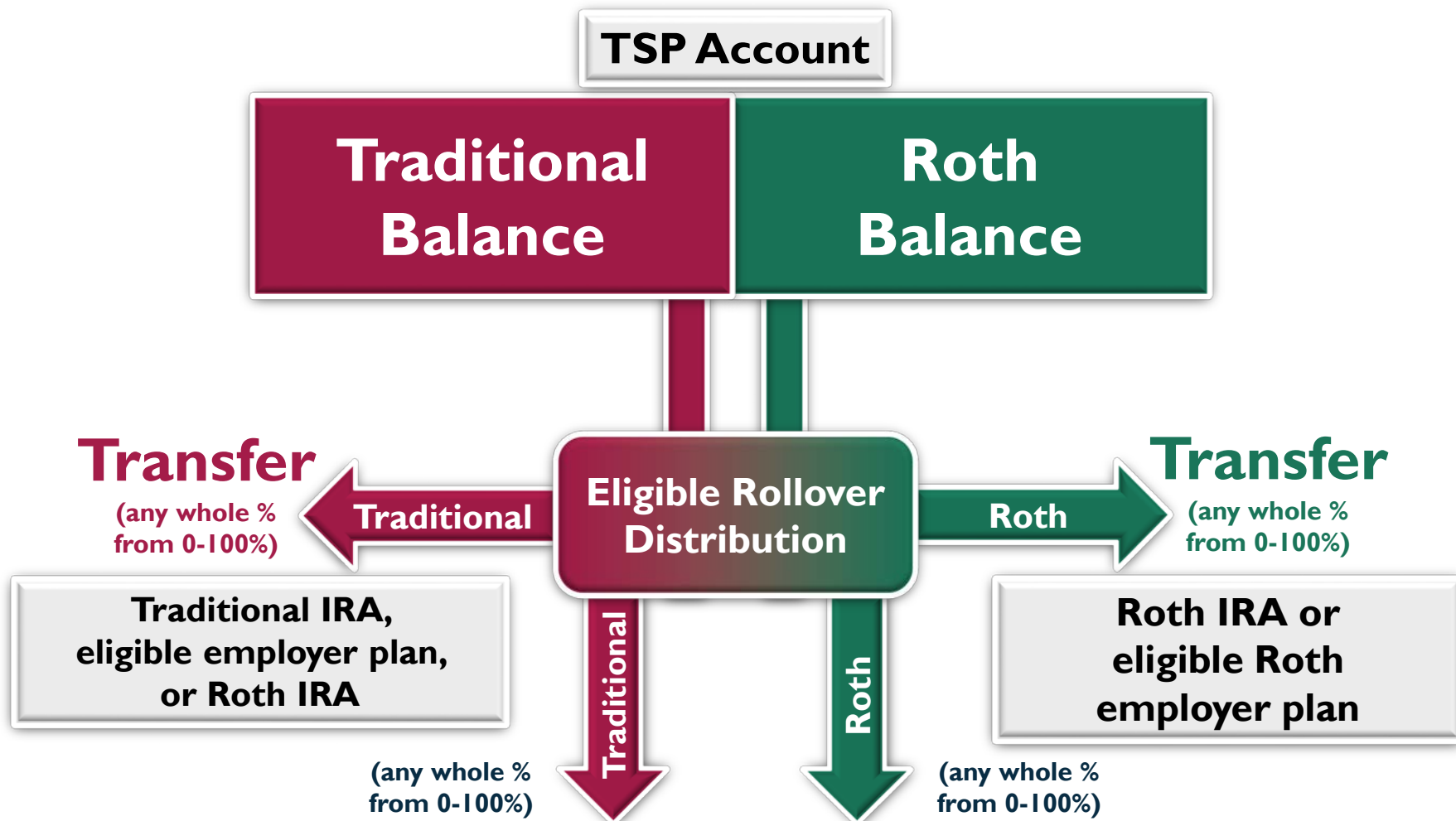
- Terms and definitions (Eligible Rollover Distributions, Qualified Distributions, Transfer vs. Rollover)
- Proportional (pro-rata) withdrawals
- Transferring or rolling over your TSP distribution
- What we withhold for taxes
- Taxable distributions on loans after separation from service
- 10% Early withdrawal penalty tax
- Required Minimum Distributions
- Death Benefit payment and court-ordered payments
- Tax Treatment for TSP Payments Chart



Tax Withholdings & Portability

Type of Payment	Eligible for transfer or rollover?	Federal income tax withholding rate
Lump sum distributions: Single payments, age-based and partial withdrawals, final withdrawal following a series of monthly payments	Yes	20% (mandatory) unless transferred
Monthly payments for less than 10 years	Yes	20% (mandatory) unless transferred
Monthly payments for 10 years or more	No	As if Married w/3 (may be changed or waived)
Monthly Payments based on life expectancy	No	As if Married w/3 (may be changed or waived)

Eligible Rollover Distributions



Distribution to Participant*
Whatever isn't transferred will be distributed

Exceptions to the IRS Early Withdrawal Penalty

The 10% IRS Early Withdrawal Penalty does not apply to payments that are:

- Received at age 59½ or later
- Received after you separate/retire during or after the year you reach age 55 (or the year you reach age 50 if you are a public safety employee as defined in section 72(t)(10)(B)(ii) of the IRC)
- TSP monthly payments based on life expectancy
- Lifetime annuity payments
- Ordered by a domestic relations order
- Made because of death
- Made from a beneficiary participant account
- Received in a year you have deductible medical expenses that exceed 10% of your adjusted gross income (7.5% if you or your spouse is 65 or over)
- Received as a result of total and permanent disability
- Received by military reservists called to active duty for < 179 days and distribution is received between the date of the order or call and the close of the active duty period

TSP Death Benefits

Planning Your Legacy

TSP Death Benefits

- By default, death benefits are disbursed according to “statutory order of precedence:”
 - 1) Spouse, 2) natural and adopted children, 3) parents, 4) appointed executor or administrator of your estate, 5) next of kin
- Alternatively, you may designate beneficiary(ies) on Form TSP-3, *Designation of Beneficiary*
 - Can be: spouse, other individual(s), trust, estate, legal entity/corporation
- Death is reported to the TSP on Form TSP-17, *Information Relating to Deceased Participant*
 - The beneficiary will receive IRS Form 1099-R reporting the distribution

Forms & Publications

See how easy it is to complete this form.

Let our online wizard help you with your beneficiary designation. Based on your answers to a series of questions, it will prefill the appropriate sections of your form and help you avoid mistakes that could cause your form to be delayed or rejected.

YES,
take me to the TSP-3 Wizard.

No thanks, just download Form TSP-3.

THRIFT SAVINGS PLAN
DESIGNATION OF BENEFICIARY TSP-3

I. PARTICIPANT INFORMATION—This applies to me: ☐ Civilian ☐ Uniformed Services ☐ Beneficiary Participant Account

Last Name: _____ First Name: _____ Middle Name: _____
 TSP Account Number: _____ Date of Birth (mm/dd/yyyy): _____ Telephone Phone (Area Code and Number): _____
 Street Address or Box Number: _____ Foreign address? ☐ Check here.
 Street Address Line 2: _____
 City: _____ State: _____ Zip Code: _____

II. CANCELLATION—To cancel all previous designations without designating new beneficiaries, check the box below. In the event of your death, payment from the TSP will be made according to the statutory order of precedence set by the United States Code (5 U.S.C. § 8424(d)).
☐ Check here only to cancel all prior beneficiary designations without naming new beneficiaries. (Also complete Section IV.)

III. PRIMARY BENEFICIARY DESIGNATIONS

Relationship to you: ☐ Spouse ☐ Other Individual ☐ Trust ☐ Estate ☐ Legal Entity/Corporation **Share:** _____ %

Name of Individual (Last, First, Middle) Trust/Catalog Legal Entity or Corporation: _____ SIGN/Name to: _____
 Name of Trusting/Executor (if applicable): _____ Date of Birth (mm/dd/yyyy): _____
 Address: _____ Foreign address? ☐ Check here.

Relationship to you: ☐ Spouse ☐ Other Individual ☐ Trust ☐ Estate ☐ Legal Entity/Corporation **Share:** _____ %

Name of Individual (Last, First, Middle) Trust/Catalog Legal Entity or Corporation: _____ SIGN/Name to: _____
 Name of Trusting/Executor (if applicable): _____ Date of Birth (mm/dd/yyyy): _____
 Address: _____ Foreign address? ☐ Check here.

Relationship to you: ☐ Spouse ☐ Other Individual ☐ Trust ☐ Estate ☐ Legal Entity/Corporation **Share:** _____ %

Name of Individual (Last, First, Middle) Trust/Catalog Legal Entity or Corporation: _____ SIGN/Name to: _____
 Name of Trusting/Executor (if applicable): _____ Date of Birth (mm/dd/yyyy): _____
 Address: _____ Foreign address? ☐ Check here.

IV. SIGNATURES—This entire form is valid only if all pages are signed, dated, and then witnessed by the same person. The witness must be age 21 or older and cannot be a primary or contingent beneficiary of any portion of this TSP account. By signing below, the witness affirms that the participant either signed in the witness's presence or informed the witness that he or she signed it earlier.

Participant Signature: _____ Date Signed (mm/dd/yyyy): _____ ☐ Check here and go to Page 2 if naming more than 3 primary beneficiaries.

Witness Signature: _____ Date Signed (mm/dd/yyyy): _____ Witness Print Full Name: _____

Do Not Write In This Section

FORM TSP-3, Page 1 (5/2017)
PREVIOUS EDITIONS OBSOLETE

Death Benefits: Update

Account Information

[Account Balance](#)[Recent Transactions](#)[Activity Summary](#)[Statements](#)[Correspondence from the TSP](#)[Message Center](#)

Online Transactions

[Contribution Allocations](#)[Interfund Transfers](#)[TSP Loans](#)[Withdrawals](#)

Personal Information

[Profile Settings](#)[Beneficiaries](#)

Beneficiaries: Civilian

You do not have a valid Form TSP-3, *Designation of Beneficiary*, on file. Your account will be distributed according to the statutory order of precedence required by law. ONLY complete Form TSP-3, *Designation of Beneficiary*, if you want distribution to be made in a way *other than* the following order of precedence:

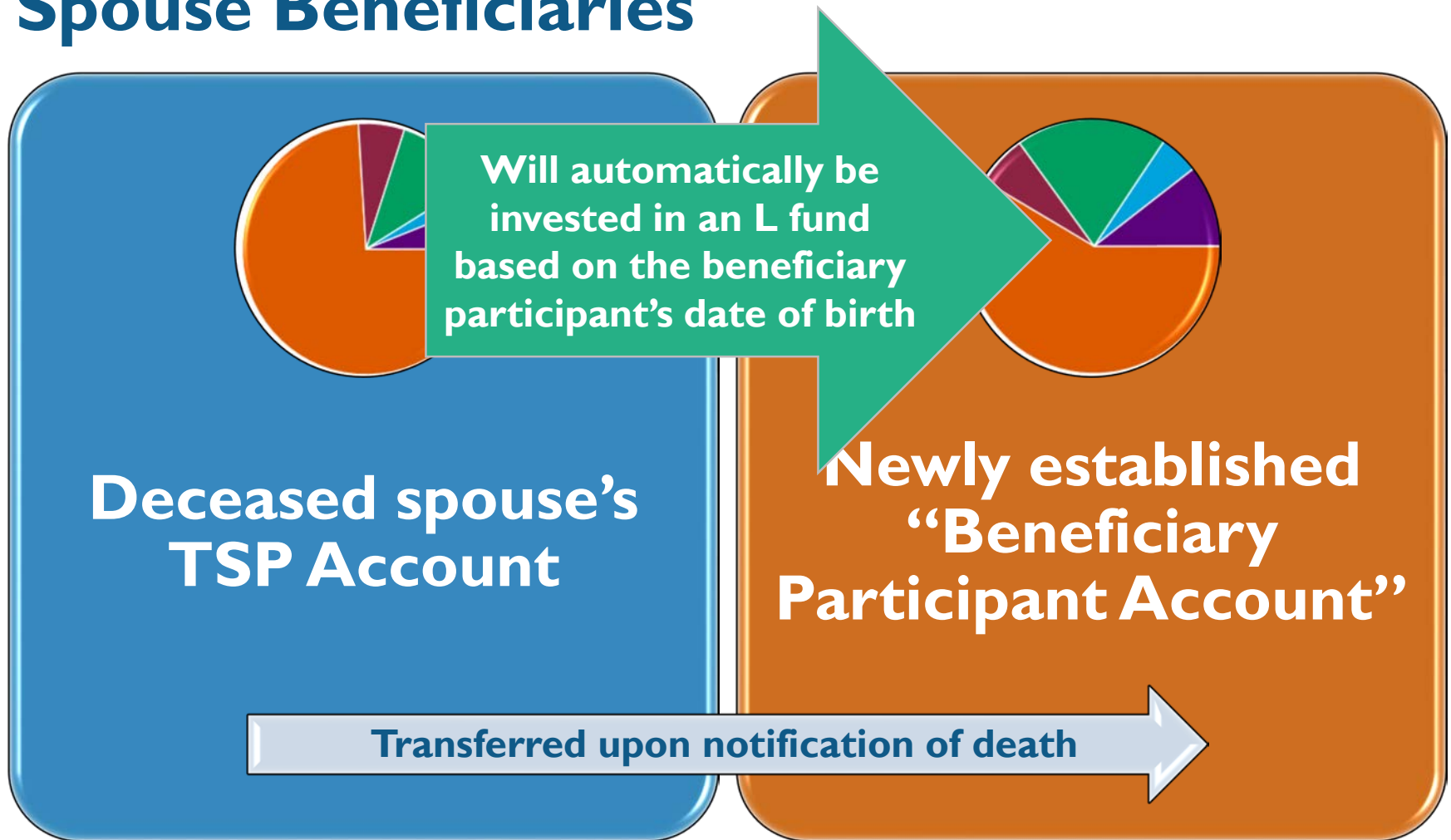
1. To your spouse
2. If none, to your child or children equally, with the share due any deceased child divided equally among that child's descendants
3. If none, to your parents equally or to the surviving parent
4. If none, to the appointed executor or administrator of your estate
5. If none, to your next of kin who would be entitled to your estate under the laws of the state in which you resided at the time of your death

As used here, "child" means either a biological child or a child adopted by the participant. It does not include your stepchild unless you have adopted the child. Nor does it include your biological child if that child has been adopted by someone other than your spouse.

The term "parents" does not include stepparents who have not adopted you.

[Designate New Beneficiaries](#)

Spouse Beneficiaries



- BPA account owner will have same investment and withdrawal options as separated TSP participants
 - BPA accounts cannot accept transfers or rollovers from other plans or IRAs
 - Interfund transfers follow same rules that apply to all account holders



Beneficiary Participant Account Rules

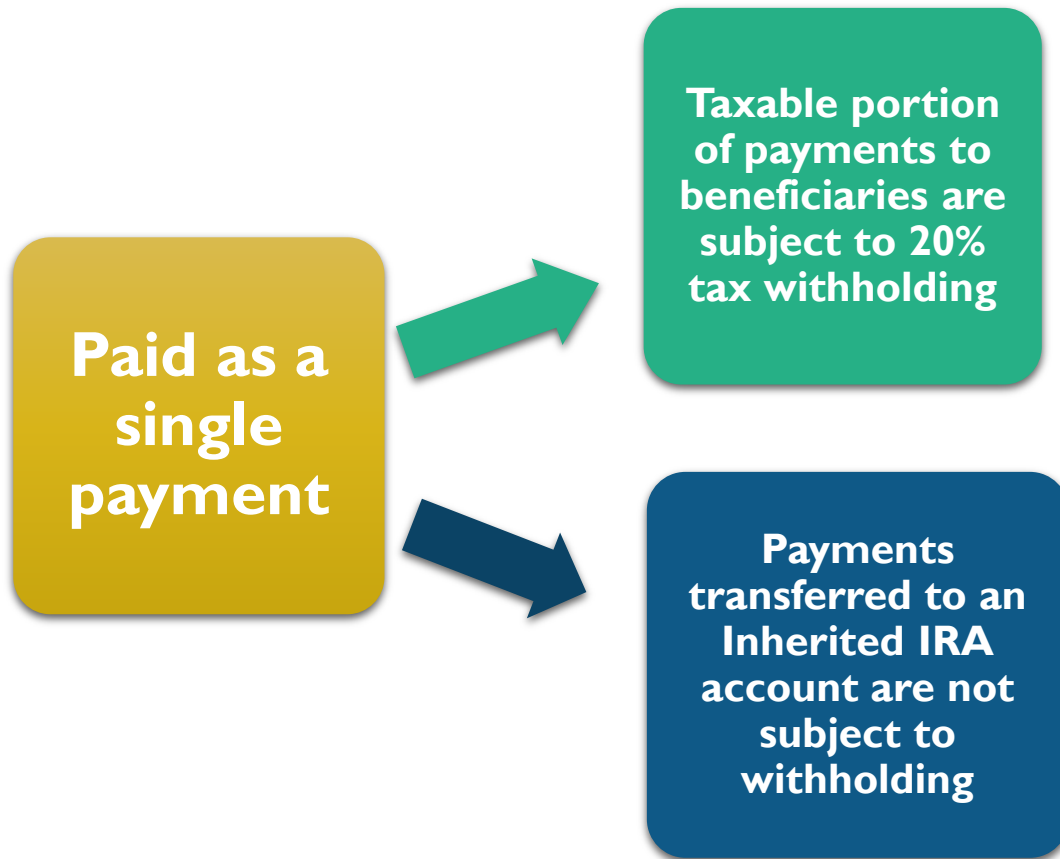
- Spouse may designate beneficiaries using Form TSP-3
- Death benefit payments from a BPA are single payments to the designated beneficiaries
 - Cannot be transferred or rolled over to an IRA (to include inherited IRA) or eligible employer plan
- Required Minimum Distributions from BPA:
 - Begin date is based on age of the deceased TSP participant
 - Amount is based on age of the beneficiary



Considerations with BPA Transfers

	BPA	Other Employer Plan	IRA
Successor Beneficiaries	Death benefit payments to successor beneficiaries may not be transferred or rolled over	Death benefit payments to successor beneficiaries may be transferred or rolled over	Death benefit payments to successor beneficiaries may be transferred or rolled over
Early Withdrawal Penalty	No penalty on early distributions	No penalty on distributions after age 59½ Exceptions exist – see “exceptions slide”	No penalty on distributions after age 59½ (other exceptions may apply)
Spousal Rights	Spousal rights not applicable	Spousal rights apply per applicable laws and plan rules	Spousal rights not applicable
Required Minimum Distributions	Required beginning date based on age of deceased participant & Required payment amount based on spouse’s age	Required beginning date based on when beneficiary turns 70½ or retires, whichever is later	Required beginning date based on when beneficiary turns 70½

Non-Spouse Beneficiaries



Inherited IRAs

- Allows non-spouse beneficiaries to take the IRC Required Minimum Distribution amount based on their age
- The remaining balance continues to grow
- Each year the IRC minimum required distribution increases slightly
- Beneficiaries may want to seek assistance of a tax professional to discuss options

Resources for Participants

Getting Help



The TSP is Turning 30 This Year!

Learn
More

1 2 3

MY ACCOUNT

- ☒ TSP Account Number
☐ User ID

.....

Password

.....

[Help](#)

[Log In](#)

[Protect Your TSP Account](#)

[My Account](#)

[Plan Participation](#)

[Investment Funds](#)

[Planning & Tools](#)

[Life Events](#)

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Enter search term(s)



Text size: [+](#) [-](#)

Plan Participation

How to set up and manage your TSP account

- [TSP and Your Retirement](#)
- [Enrolling in the TSP](#)
- [Investing Contributions](#)
- [Protect Your TSP Account](#)

[Learn more](#)

Investment Funds

Information on TSP fund options and performance

- [Fund Comparison](#)
- [Lifecycle Funds](#)
- [Share Prices](#)
- [Monthly Returns](#)

[Learn more](#)

Planning & Tools

Retirement planning and tools for all career stages

- [Before You Invest](#)
- [Maximize Your TSP Savings](#)
- [Calculators](#)

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Life Events

Help with life events affecting your TSP account

- [Entering Gov't Service](#)
- [Called to Active Duty](#)
- [Family Changes](#)

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BULLETIN BOARD

- [Annual participant statements](#)
- [IRS Form 1099-R](#)
- [4th quarter participant statements are online and in the mail](#)
- [Warning: Third-Party Mobile Applications](#)
- [2017 Contribution Limits](#)
- [Help for Hurricane Matthew victims](#)
- [The TSP is now on Facebook](#)
- [Tips for Protecting Your Account](#)
- [Stick to Your Plan](#)
- [Update: Information for Federal Public Safety Employees](#)

QUICK LINKS

- [Change Your Address](#)
- [Forms & Publications](#)
- [Loan and Annuity Rates](#)
- [Fund Performance](#)
- [Contribution Limits](#)
- [Email Updates](#)
- [TSP Training for Benefits Officers](#)
- [Frequently Asked Questions](#)

ACCOUNT SHORTCUTS

- [Account Balance](#)
- [Recent Transactions](#)
- [Contribution Allocation](#)
- [Interfund Transfer](#)
- [Statements](#)

Access Your TSP Account

My Account

Plan Participation

Investment Funds

Planning & Tools

Life Events

Participant Support



Thrift Savings Plan

 **MY ACCOUNT**

☒ TSP Account Number

OR

☐ User ID

▶ [Forgot your account number or user ID?](#)

[Log In](#)

View account balance

View Annual & Quarterly Statements

Change contribution allocation

Request interfund transfers

Request loans and withdrawals

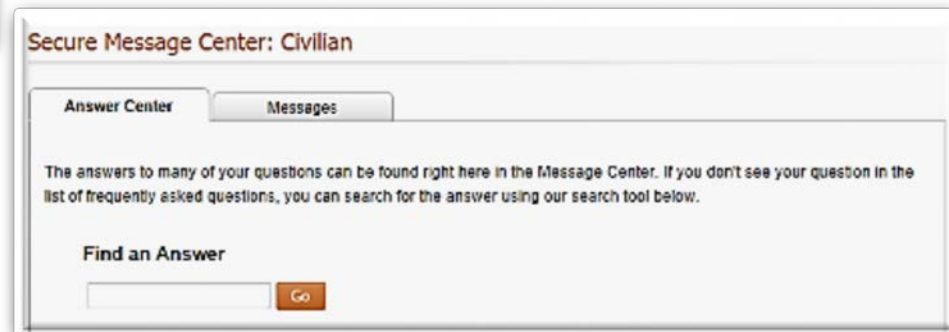
Create (or change a user ID)

Change or request a Web password



Thrift Savings Plan

Contacting the TSP



TSP Publications

